

FBIS**DAILY REPORT
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FOREIGN MINISTRY SPOKESMAN HOLDS WEEKLY BRIEFING

Comments on Taiwan Issue

OW050939 Beijing XINHUA in English 0913 GMT 5 Jun 85

["Chinese Foreign Minstry Spokesman on Taiwan" -- XINHUA headline]

[Text] Beijing, June 5 (XINHUA) -- China has never committed to not taking non-peaceful means to solve the Taiwan issue simply because such a commitment would make peaceful reunification impossible, a Chinese Foreign Ministry spokesman said here today.

However, the spokesman said, "We sincerely hope and insist that peaceful means should be used to solve the Taiwan issue. We are patient, but this cannot be decided by us alone."

Speaking at a weekly press briefing here this afternoon, the spokesman said that China had maintained a consistent stand on the Taiwan issue.

"A peaceful reunification of the country is our consistent policy, since it accords with the fundamental interests and common wishes of the Chinese people on both sides of the Taiwan Straits," he added.

On 'Star Wars,' U.S. Port Call

HK051316 Beijing ZHONGGUO XINWEN SHE in Chinese 1200 GMT 5 Jun 85

[Report: "Spokesman for the Chinese Foreign Minstry Comments on 'Star Wars' Plan"]

[Text] Beijing, 5 Jun (ZHONGGUO XINWEN SHE) -- "Recently there has been much comment on the 'star wars' program. What is China's opinion on this?" A reporter put this question to Ma Yuzhen, who presided over a news briefing held by the Foreign Ministry today.

Ma Yuzhen said: China is against all forms of the arms race, and even more so its extension to outer space by the United States and the Soviet Union. We hold that outer space is mankind's common wealth which should be used for the sake of peace.

Asked whether China is in support of the French 'Eureka' program, Ma Yuzhen said: This program proposed by President Mitterrand embodies the spirit of self-strengthening through unity for Europe. We appreciate the West European countries' efforts in this respect.

A few foreign reporters also repeatedly raised the question about U.S. warships visiting China. Answering this question, Ma Yuzhen repeated what he had stated before. He said: Some problems have yet to be solved regarding planned U.S. warship visits to Chinese ports. The two sides will continue to keep in touch and negotiate on the visit.

Yao Yilin To Visit USSR

OW051101 Beijing XINHUA in English 1056 GMT 5 Jun 85

["Chinese Vice-Premier To Visit Soviet Union" -- XINHUA headline]

[Text] Beijing, June 5 (XINHUA) -- Chinese Vice-Premier Yao Yilin will visit the Soviet Union soon, a Chinese Foreign ministry spokesman announced here today.

The specific date for the vice-premier's visit is still under discussion by the two sides, the spokesman said at a press briefing here this afternoon.

He disclosed that during Yao's visit, he would sign a long-term economic and trade agreement with the Soviet Union. Yao would also exchange views with Soviet leaders on bilateral relations, he added.

Sino-SRV Border Tense

OW051122 Beijing XINHUA in English 1113 GMT 5 Jun 85

[Text] Beijing, June 5 (XINHUA) -- The recent situation along the Sino-Vietnamese border remains tense, a Chinese Foreign Ministry spokesman said here today. Speaking at a weekly press briefing, the spokesman said that Vietnamese troops repeatedly intruded into Chinese border areas and kept bombarding China, firing at times a maximum of ten thousand shells a day.

He said that on May 31, Vietnamese troops repeatedly attacked Laoshan area of Malipo County, Yunnan Province in regiment force. Chinese frontier guards repulsed their attacks in self-defense.

Macao Talks Set for 1986

OW051115 Beijing XINHUA in English 1106 GMT 5 Jun 85

["Sino-Portuguese Talks on Macao To Be Held Next Year" -- XINHUA headline]

[Text] Beijing, June 5 (XINHUA) -- Chinese Foreign Ministry spokesman said today that the Sino-Portuguese talks on the Macao question would possibly be held in the first half of next year. But the actual time for the talks would be decided through diplomatic channels between the two sides, he added.

Responding to a question at the weekly news briefing here this afternoon, the spokesman reiterated the basic position of the Chinese Government on the Macao question: the Chinese Government would settle the Macao question in an approach basically similar to that taken for the settlement of the Hong Kong question on the basis of the concept of "one country, two systems".

A reporter asked if the Portuguese side was surprised when China raised the Macao question during Portuguese President Antonio Ramalho Eanes' recent visit to China. The spokesman replied that the Macao question was one left over from history which had the concern of the two sides so that it was natural the question was raised during the president's visit.

Trinidad, Tobago Visit Set

OW051105 Beijing XINHUA in English 1041 GMT 5 Jun 85

[Text] Beijing, June 5 (XINHUA) -- Prime Minister George Michael Chambers of the Republic of Trinidad and Tobago will pay an official goodwill visit to China from July 13 to 19 at the invitation of Chinese Premier Zhao Ziyang, a Chinese Foreign Ministry spokesman announced at a press conference here this afternoon.

SOVIET ARMY CHIEF AKHROMEYEV ON 1972 ABM TREATY

OW040835 Beijing XINHUA in English 0631 GMT 4 Jun 85

[Text] Moscow, June 4 (XINHUA) -- Any attempt to violate the 1972 treaty on the limitation of anti-ballistic missile systems (ABM) will lead to the complete failure of the Soviet-U.S. Geneva arms control talks, a Soviet military leader warned today.

The Soviet warning, believed to be the toughest since the second round of the Geneva talks began last Thursday, was made by Chief of the General Staff of the Soviet Army and Navy Sergey Akhromeyev in an article carried by today's Soviet party newspaper PRAVDA.

Akhromeyev said that the Soviet Union has no other choice but to increase its strategic offensive force to maintain the military balance if the United States violates the 1972 ABM treaty to develop outer space weapons.

The ABM treaty is of great military and political significance, he said. To honor commitments by both sides to the treaty constitutes the guarantee of an agreement at the nuclear and space weapons talks, he said, adding that ineffectiveness of the treaty would eliminate the basis of the disarmament talks and thus lead to the complete failure of the talks and rekindle an unbridled arms race.

The Soviet Army chief accused Washington of violating the ABM treaty and refusing to discuss the demilitarization of outer space.

He denied Washington's accusation that the Soviet establishment of a radar station in west Siberia is a violation of the 1972 ABM treaty.

The latest Soviet statement indicates that Moscow pins little hope on the Geneva talks.

JAPAN TO PERMIT PRIVATE ROLE IN SDI RESEARCH

OW042038 Beijing XINHUA in English 1924 GMT 4 Jun 85

[Text] Tokyo, June 4 (XINHUA) -- The Japanese Government will place no restrictions on Japanese enterprises willing to provide the U.S. with general technical know-how needed for the "star wars" research program.

This was disclosed by Naoshi Kuriyama, director general of North America Bureau of the Japanese Foreign Ministry, during a meeting of the Japanese Diet Finance Committee.

For the time being, Kuriyama said, the Japanese Government has no specific policy for the Japanese private enterprises planning to take part in the U.S.-sponsored space defence system, officially named as Strategic Defence Initiative.

Kuriyama said that his government is studying the matter in a careful and independent manner. However, he added, the government does not comment on whether or not private enterprises should take part.

Reiterating Japan's stand on providing the U.S. with high technology for weaponry manufacture, Kuriyama said, the questions should be solved one by one within the framework of U.S.-Japan consultations. But in principle, no regulations are introduced, he added.

According to KYODO, Kuriyama has implied that it is legal for the Japanese manufacturers to join in the star wars research with their advanced micro and photo electronical technology.

Prime Minister Yasuhiro Nakasone in response to Diet members' questions at the meeting declared that he shared Kuriyama's views.

ARMACOST PRAISES PRC'S OPEN-DOOR POLICY

HK040908 Beijing ZHONGGUO XINWEN SHE in Chinese 1448 GMT 3 Jun 85

[Report: "U.S. Under Secretary of State Michael Armacost States: China's Open-Door Policy Helps Promote Sino-U.S. Relations"]

[Text] Hong Kong, 3 Jun (ZHONGGUO XINWEN SHE) -- U.S. Under Secretary of State Michael Armacost said today that China's practical policy and its determination to carry out modernization have strengthened opportunities for Sino-U.S. cooperation. Armacost made these remarks at an "international monetary conference" held in Hong Kong.

Armacost said: Scientific and technological transfers are stepping stones in Sino-U.S. relations. In 1982 the United States approved the export of scientific and technological products worth \$500 million to China, and there has been a gradual upward trend in this trade. Moreover, exchanges in the cultural and educational fields are increasing. Many of the 10,000 Chinese students studying in the United States are there for further education in science and technology.

Armacost added: American private businessmen have actively sought cooperation with China in energy and oil exploitation as well as in improving China's traffic system. Bilateral trade in manufactured goods is increasing. China has become the fourth largest U.S. textile supplier in a short span of time, and the increase in China's agricultural products has enabled it to gradually become one of America's strong competitors in agricultural trade.

Armacost concluded: China's interest in advanced science and technology has helped promote Sino-U.S. cooperation in national defense projects. The United States is doing its best to assist China in improving its combat effectiveness in air defense, land defenses, and antisubmarine operations.

AGREEMENT SIGNED ON PETROCHEMICAL JOINT VENTURE

OW011404 Beijing XINHUA in English 1300 GMT 1 Jun 85

[Text] Beijing, May 1 (XINHUA) -- A contract on establishing the Sino-Lummus Engineering Company, a petrochemical joint venture, was signed here today. The contract for the 20-year joint venture was concluded by the China petrochemical International Company and Lummus Crest Inc.

This is the third joint venture the China Petrochemical International Company has set up with U.S. companies to improve its technology and management. The new Beijing-based company will build refineries and petrochemical plants and modernize old ones in China and abroad.

It will also supply domestic and foreign firms with services including project feasibility studies, basic design and construction management. Under the contract, Lummus Crest will transfer its technological know-how and management expertise to the new company.

BAI DONGCAI MEETS, FETES U.S. NEWSPAPERMAN

OW041241 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 May 85

[Text] Bai Dongcai, first secretary of the Jiangxi Provincial CPC Committee, and Zhao Zengyi, secretary of the provincial party committee and governor of Jiangxi, had a meeting with Fu Chao-chu, president of Chung Newspapers Ltd in the United States of America, at the Jiangxi Guesthouse this morning. Bai Dongcai welcomed Fu Chao-chu for returning to his hometown in China to visit his family. Governor Zhao Zengyi briefed Fu Chao-chu on Jiangxi's economic reform and construction. After the meeting, Bai Dongcai and Zhao Zengyi gave a luncheon in honor of President Fu Chao-chu.

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PRC INTERNATIONAL AFFAIRS
NORTHEAST ASIA

D 1

WANG ZHEN MEETS OVERSEAS CHINESE FROM JAPAN

OW041824 Beijing XINHUA in English 1641 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association, met and feted Yeh Chi Hua, curator of the historic museum of China at the Confucian temple in Nagasaki, Japan, at the state guest house **here this evening**.

Wang, also a member of the Political Bureau of the Chinese Communist Party **Central Committee**, extended a warm welcome to Yeh Chi Hua and 18 other Overseas Chinese residing in Japan who have come back for a study tour.

Present were Liao Hui, director of the State Council Office of Overseas Chinese Affairs, and Sun Pinghua, vice-president of the China-Japan Friendship Association.

GU MU MEETS JAPANESE TRADE DELEGATION

OW042024 Beijing XINHUA in English 1912 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Chinese State Councillor Gu Mu today **met with Zenji Umeda**, chairman of the Association for the Promotion of International Trade of Kobe, Japan, and his party.

Wang Yaoting, chairman of the China Council for the Promotion of International Trade, attended the meeting.

KANG KEQING MEETS JAPANESE FOUNDATION GROUP

OW041828 Beijing XINHUA in English 1643 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Kang Keqing, vice-chairwoman of the National Committee of the Chinese People's Political Consultative Conference, met Tokuma Utsunomiya, president of the Japanese Soong Ching Ling Foundation, **here this afternoon**.

Later Kang, president of the Chinese Soong Ching Ling Foundation, gave a dinner for Utsunomiya and his party.

The Japanese visitors are here to attend a forum on safeguarding world peace at the invitation of the Chinese Association for International Understanding.

KWP PROPAGANDA DELEGATION ARRIVES IN BEIJING

OW042020 Beijing XINHUA in English 1855 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- A delegation from the Propaganda Department of the Korean Workers Party [KWP] Central Committee arrived here by train today at the invitation of the Propaganda Department of the Chinese Communist Party **Central Committee**.

The delegation is led by Yi Tae-son, member of the Korean Workers Party **Central Committee** and first vice-minister of the Propaganda Department of the party **Central Committee**.

They were greeted at the railway station by Yu Wen and Li Yan, permanent deputy head and secretary general of the host department, and Ambassador of the Democratic People's Republic of Korea Sin In-ha.

FURTHER ON ZHAO ZIYANG, DELEGATION VISIT TO UK

Meets Energy, Trade Officials

OW041442 Beijing XINHUA in English 1431 GMT 4 Jun 85

[Text] London, June 4 (XINHUA) -- Chinese Premier Zhao Ziyang said here today he would like to see a rapid development in Sino-British trade and hoped that the two countries would increase the volume of imports from each other.

Zhao made the remarks during a meeting this morning with British Secretary of State for Trade and Industry Norman Tebbit at the Claridge's Hotel where he is staying. The premier also met with Secretary of State for Energy Peter Walker this morning. They exchanged views on the promotion of economic and technological cooperation between the two countries as well as on issues of mutual concern.

Vice-Premier Tian Jiyun, who is accompanying Zhao on the visit, was also present on the two occasions.

The Chinese leader told the British trade minister that there are great potentials in Sino-British trade and the two-way trade will be able to expand on a larger scale through joint efforts.

In meeting with Walker, Premier Zhao expressed his satisfaction with cooperation between China and Britain in the field of energy. He said that Britain has its own advantages in energy and the prospects of cooperation between the two countries in this field are bright. He also expressed the hope that the two sides will further their cooperation in various forms.

Tebbit and Walker agreed with Premier Zhao's views. They said they have confidence in the prospects of cooperation between the two countries in the fields of trade, economy and technology. Present at the meetings were also members of Zhao's entourage.

[Beijing XINHUA Domestic Chinese at 1709 GMT on 4 June carries a similar item that adds the following at this point: "Present at the meetings were also Jai Shi, vice minister of foreign economic relations and trade; Bao Tong, responsible person of the premier's office; and Hu Dingyi, Chinese ambassador to Britain."]

Wu, Howe Discuss Issues

OW041452 Beijing XINHUA in English 1437 GMT 4 Jun 85

[Text] London, June 4 (XINHUA) -- Chinese Foreign Minister Wu Xueqian who is accompanying Premier Zhao Ziyang on an official visit here called on British Foreign Secretary Sir Geoffrey Howe this morning. Wu and Howe talked at the Foreign Office for 90 minutes and the meeting proceeded in an "excellent" atmosphere, British official sources said. The two men discussed the question of Hong Kong and a wide range of international issues including East-West relations and arms control, the sources added. British Minister of State of the Foreign and Commonwealth Office Richard Luce was also present at the meeting.

Zhao Meets Businessmen

OW041520 Beijing XINHUA in English 1510 GMT 4 Jun 85

[Text] London, June 4 (XINHUA) -- Visiting Chinese Premier Zhao Ziyang and Vice-Premier Tian Jiyun met here this morning with a group of British industrialists and financiers led by Peter Matthews, president of the Sino-British Trade Council (SBTC).

After expressing satisfaction with the comparatively big growth in economic and trade relations between China and Britain over the past few years, Premier Zhao pointed out that this falls short of the level commensurate with both the existing good political relations and the great economic potential of both countries.

Premier Zhao expressed his hope that both countries would exert efforts to promote economic and technological cooperation in various forms.

The Chinese premier then fielded questions put forward by some of the 16 British businessmen who attended the meeting.

SBTC President Matthews, in his opening speech, said that with the successful outcome of the Hong Kong negotiations, "we should be able to increase substantially the level of trade and technology transfer, including joint ventures, between our two countries."

"We should be aiming at achieving a doubling of 1984's figures in the near future," he added. Two-way trade between Britain and China stood at about 600 million pounds (780 million U.S. dollars) last year.

With its close ties with Chinese organizations, SBTC is serving as a bridge for trade between Britain and China.

London Mayor Hosts Banquet

OW041856 Beijing XINHUA in English 1842 GMT 4 Jun 85

[Text] London, June 4 (XINHUA) -- China is devoted entirely to the socialist modernization program and keenly needs an international environment of peace and stability, visiting Chinese Premier Zhao Ziyang said here today. The Chinese premier made these remarks at a luncheon given in his honor by the Mayor of London Sir Alan Traill at the Mansion House.

Zhao expressed his gratification to see the forces for peace and stability growing and the factors for containing a war increasing. "We're convinced that with the joint efforts of the world people, the maintenance of world peace is highly possible," he stressed.

The settlement of the Hong Kong issue, Zhao said, has opened even broader prospects for the Sino-British friendly cooperation in various fields.

As an international financial and trade center, London has a lot of experience to offer to the Chinese people engaged in large-scale economic construction, he said.

Bankers and entrepreneurs from London are welcome to do business with China and make investment or set up factories in China, Zhao said.

Sir Alan Traill extended a warm welcome to Premier Zhao and his party on behalf of the people of London. He said that Britain and China have been finding more and more in common and relations between the two countries have developed to their great benefit in recent years.

The Sino-British joint declaration on Hong Kong, he stressed, is unique and will ensure Hong Kong's prosperity and stability.

He expressed his interest in China's modernization program and offered his personal assistance in the capacity of mayor of the financial center of London.

Equally important shared interest is the promotion and maintenance of international goodwill and the pursuance of world peace, he noted.

He expressed the belief that all peoples can work together toward peace in the world through mutual understanding and harmony.

Among the Chinese guests attending the luncheon were Vice-Premier Tian Jiyun, State Councillor and Foreign Minister Wu Xueqian, Chinese Ambassador to Britain Hu Dingyi, and other members of Zhao's party.

Present on the occasion were Michael Jopling, British minister of agriculture, fisheries and food; Keith Joseph, secretary of state for education and science; Lord Young, minister without portfolio; and former British Prime Ministers Edward Heath and Harold Wilson. More than three hundred people representing various circles of London attended the luncheon.

Zhao Arrives in Scotland

0W041906 Beijing XINHUA in English 1849 GMT 4 Jun 85

[Text] Edinburgh, Scotland, June 4 (XINHUA) -- Chinese Premier Zhao Ziyang flew in here this afternoon for a brief visit to this highland city. Among those meeting Zhao at the Turnhouse Royal Air Force Station were British Secretary of State for Scotland George Younger, the Lord Provost (mayor) Dr. John MacKay of the city of Edinburgh and station commander Group Captain Michael Butler.

Secretary Younger told Chinese reporters at the airport that Premier Zhao is the first Chinese Premier to visit Scotland and he is very pleased at the visit. He said that there are good prospects for economic and technological cooperation between Scottish and Chinese companies.

Welcoming the premier at the airport were representatives of the local Chinese communities and Chinese students.

The Chinese premier will visit the mining machinery factory Anderson Strathclyde and the computer graphics equipment maker Ferranti Infographics Ltd. tomorrow.

Edinburgh, the ancient capital of Scotland, and Xian, an ancient capital of China established ties of friendship cities in April.

Zhao Speaks in Edinburgh

0W050124 Beijing XINHUA in English 0110 GMT 5 Jun 85

[Text] Edinburgh, Scotland, June 4 (XINHUA) -- Chinese Premier Zhao Ziyang said here tonight his visit here will help him know more about Scotland and help widen the scope of cooperation between China and Britain.

Zhao, who flew in here from London this afternoon, was speaking at a dinner in Edinburgh Castle given in his honor by British Secretary of State for Scotland George Younger.

He said China is willing to develop trade and economic relations with all other countries on the basis of equality and mutual benefit. While attaching importance to developing inter-governmental cooperation, it also encourages to increase interflow between localities as well as non-governmental exchanges, he added.

In April, Edinburgh established ties of friendship cities with the Chinese City of Xian.

Zhao also expressed confidence that Edinburgh and Scotland can make positive contributions to the building of a "new Silk Road" between China and Britain.

In his speech at the dinner which proceeded in a lively atmosphere, Secretary Younger assured Premier Zhao of the interest of companies in Scotland in developing their links with their Chinese counterparts. "The form of these links has great potential for development," he said.

He noted that the framework for these exchanges is continually expanding, with the twinning between Edinburgh and Xian.

Among those present at the dinner were Chinese Vice-Premier Tian Jiayun and Foreign Minister Wu Xueqian and Dr. John MacKay, the lord provost of the City of Edinburgh, as well as Scottish industrialists.

PRC Officials Meet Businessmen

OW031750 Beijing XINHUA in English 1724 GMT 3 Jun 85

[Text] London, June 3 (XINHUA) -- Three senior Chinese officials accompanying Premier Zhao Ziyang on a current visit in Britain today held separate discussions with British industrialists about the possibilities and ways to further Sino-British economic and technological cooperation.

Gan Ziyu, vice-minister in charge of the State Planning Commission; Lin Zongtang, vice-minister in charge of the State Economic Commission and Jia Shi, vice-minister of the Ministry of Foreign Economic Relations and Trade, told the industrialists that economic and technological cooperation between the two countries should be further developed following the successful settlement of the Hong Kong issue.

Chinese and British companies will have broader and brighter prospects for various forms of cooperation, they said.

The Chinese officials said that China would like to buy more British equipment and machinery with good quality and competitive prices. They recommended favored technology transfer and compensation trade as the two major means of cooperation.

The British industrialists expressed keen interest in expanding economic and technological cooperation with China and explored with the Chinese officials different ways and means of cooperation. Their discussions covered telecommunications, coal preparing, nuclear power and auto industries.

The British industrialists are from six big companies, including the General Electric Company (GEC) and the British Telecommunications.

RENMIN RIBAO on Zhao's Visit

HK050621 Beijing RENMIN RIBAO in Chinese 4 Jun 85 p 6

["Newsletter From Britain" by reporters Guo Yongyi and Li Yunfei: "A Mark of the New Stage of Sino-British Relations"]

[Excerpts] London, 3 Jun (RENMIN RIBAO) -- After taking off in a special plane in Beijing, Premier Zhao Ziyang and his party flew 12,000 km westward along the ancient Silk Road and arrived in Britain.

This was the first leg of his visit to three West European countries. After getting off the plane, Premier Zhao was accorded a warm welcome by British Secretary of State for Foreign and Commonwealth Affairs Geoffrey Howe and other senior officials. People could not help thinking of what this foreign secretary said last year: Britain and China are opening up a new Silk Road. On the morning of 3 June, British Prime Minister Mrs Thatcher held a grand ceremony before the quadrangle of the British Foreign and Commonwealth Office to welcome the arrival of the Chinese guests.

China is on the eastern edge of Asia while Britain is on the western edge of Europe. These two countries are separated from each other by 10,000 km and their social systems are different. Nevertheless, they share identical or similar views and have many common points in important international issues. Britain holds that the tremendous reform going on in China is successful and that China's economic development has increased the strength which is safeguarding peace. The Chinese side also appreciates Britain's efforts and contributions in strengthening the unity of Western Europe, enhancing international stability, and safeguarding peace.

In their remarks to reporters, British Government personages pointed out that the reason they consider the current visit important is that this is not simply one of a series of mutual visits between leaders of the two countries but a visit that marks the entry of Sino-British relations onto a new stage. Both Britain and China hold that the solution to the Hong Kong issue has opened up a new era of Sino-British relations. On the afternoon of 3 June, Premier Zhao and Mrs Thatcher signed, after their first round of talks, "The Sino-British Agreement on Economic Cooperation" and "The Sino-British Agreement on the Peaceful Uses of Nuclear Energy."

When Premier Zhao and his party came to the British Parliament, Chairman of the British-China Parliamentary Group Adley, who was welcoming them at the gate, told us that Britain-China relations at present are very good. The potential for the development of economic cooperation between the two countries is very great. Such cooperation can be carried out not only in China's big cities and coastal areas but also in China's interior provinces; not only among large enterprises but also among numerous medium-sized and small enterprises; and not only in the manufacturing industry and the high-technology industry but also in the tertiary industry such as tourism and service trades. Britain has placed great hopes on these aspects.

British newspapers and public opinion have universally held that Premier Zhao's visit, taking place immediately after the Sino-British joint Declaration on the Hong Kong issue came into effect, is of great significance. THE TIMES pointed out that during Zhao Ziyang and his party's visit, he and Mrs Thatcher and other British leaders will reaffirm the commitments of the two governments in order to lay a foundation for the smooth progress of the handover in the coming 12 years. Britain hopes that the two countries will establish even firmer ties on this foundation in the 1980's. In the past few days, British newspapers and public opinion have also featured numbers of reports on and introductions to reforms which are going on in China, and of Premier Zhao himself.

NETHERLANDS FOREIGN MINISTER ON ZHAO VISIT

OW042255 Beijing XINHUA in English 2050 GMT 4 Jun 85

[Text] The Hague, June 4 (XINHUA) -- Dutch Foreign Minister Hans van den Broek said Monday that his government is "looking forward to receiving" Chinese Premier Zhao Ziyang and his party to the Netherlands.

In an interview with XINHUA here, Hans van den Broek said that Zhao "will be most welcomed here and I am absolutely certain that his visit will be quite successful."

Premier Zhao is scheduled to arrive here on June 16 for a four-day official visit after visiting Britain and Federal Germany.

The Dutch foreign minister said that the first visit by a Chinese premier to his country bore "a double significance" since 1980 and 1981 China and the Netherland went through "a difficult period" in their mutual relationship. "All the disturbances have been lifted and in fact we are at the moment enjoying a very good relationship between our two countries," he said.

Speaking on the forthcoming meeting in The Hague, the foreign minister said, his government is pleased to continue the discussion started in Beijing on economic and cultural cooperation between the two countries.

Van den Broek said, "What we are doing now is trying to capitalize further on cooperation with mutual interests of China and of the Netherlands. There are still broad fields that can be further developed."

He revealed that during the coming visit of Premier Zhao, an important agreement on investment protection will be signed.

XINHUA VIEWS GROWING SINO-FRG TRADE LINKS

OW041730 Beijing XINHUA in English 1523 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- The Federal Republic of Germany has become China's biggest European trading partner, and commercial links are growing rapidly, an official of the Foreign Economic Relations and Trade Ministry said here today.

In an interview with XINHUA on the eve of Premier Zhao Ziyang's visit to the F.R.G., the official said that economic and technical cooperation between the countries are expanding alongside trade.

Last year's two-way trade was worth 2.22 billion U.S. dollars -- 3.4 percent up on the 1983 figure.

China exported to the FRG textiles, electrical equipment, farm and sideline produce and other commodities, and imported rolled steel, chemicals, machinery and equipment, and technology.

Leaders of the two countries and business chiefs have worked hard over the past few years to boost trade and economic cooperation.

During Vice-Premier Li Peng's visit to the FRG last year, an agreement was signed on cooperation over the peaceful use of nuclear energy, and other forms of cooperation were discussed.

Chinese ministers of astronautics and electronics as well industrial and economic delegations also visited the West European nation.

Meanwhile, Federal German ministers of posts and telecommunications, and communications are well as agricultural, nuclear power and banking delegations visited China.

Chancellor Helmut Kohl visited China last October, accompanied by bankers and business chiefs. During the visit, a number of agreements on economic and technical cooperation were signed, and the joint venture Shanghai-Volkswagen Motor Vehicle Company, designed to produce 30,000 cars and 100,000 engines a year, was established.

The ministry official said that so far, more than 40 Federal German enterprises had set up resident offices in China. They had already signed agreements or contracts on more than 400 schemes involving metallurgy, machine-building, coal, chemicals, communications, construction, light industry and agriculture.

The forms of cooperation include joint ventures, compensation trade, co-production, technical training and labor service cooperation.

The hot-rolled equipment and technology provided by the SMS Schloemann-Siemag AG for the Baoshan iron and steel complex is one of the biggest of these schemes. The 450 million U.S. dollars hot-rolling steel plant is a key project in the second stage of Baoshan's construction.

The official added, the ministry felt confident that Premier Zhao's visit to Federal Republic of Germany would further promote cooperation between the two countries.

LI PENG ARRIVES IN FRANCE, MEETS OFFICIALS

Greeted at Airport

0W012010 Beijing XINHUA in English 2000 GMT 1 Jun 85

[Text] Paris, June 1 (XINHUA) -- Chinese Vice-Premier Li Peng arrived here this evening after visits to the Democratic Republic of Germany, Poland and Hungary. During his stay here, Li Peng will meet with French Premier Laurent Fabius, Foreign Minister Roland Dumas and Trade Minister Madame Edith Cresson. Li Peng was met at Orly Airport by Jean-Bernard de Vaire, protocol deputy director of the French Foreign Ministry, and Chinese Ambassador to France Cao Keqiang.

Holds Talks With Fabius

0W050230 Beijing XINHUA in English 0146 GMT 5 Jun 85

[Text] Paris, June 4 (XINHUA) -- French Prime Minister Laurent Fabius today held talks at his office with Chinese Vice Premier Li Peng on bilateral relations and economic cooperation.

Li Peng has stopped over here for a short visit after his trip to three East European countries. He said in the talks that being a developing country, China considers the cooperation with France very important. He expressed the hope for increasing cooperation between the two countries.

Satisfied with the smooth development in the bilateral relations in the recent years, Fabius said that he hopes that the development in the economic and trade relations between France and China could keep abreast of the political friendship between the two countries. Such a kind of economic cooperation, he added, should be set as "an example" for other work.

Li Peng met French Minister of Industrial Development and Foreign Trade Edith Cresson yesterday. Their talks focused on the economic and technological cooperation in nuclear power stations, telecommunications and satellite.

During his stay, the Chinese vice premier also met with presidents of the Board of Directors from Alsthom-Atlantique, Framatome and Matra, major companies in France running the business of nuclear power, machine tools and space technology.

TURKEY'S EVREN FETES LIN JIAMEI, DELEGATION

OW030650 Beijing XINHUA in English 0634 GMT 3 Jun 85

[Text] Ankara, June 2 (XINHUA) -- Turkish President Kenan Evren hosted a dinner here this evening in honor of Lin Jiamei, wife of President of the People's Republic of China Li Xiannian, and a Chinese women's delegation she is leading.

Lin delivered a letter from President Li to President Evren. Li hoped in his letter that the friendship and cooperation between China and Turkey will be furthered strengthened and developed. Evren and his families accepted an invitation from Li to visit China.

Turkish Foreign Minister Vahit Halefoglu and Chinese Ambassador to Turkey Zhan Shiliang were present on the occasion.

The Chinese women's delegation arrived here today on a 10-day visit at the invitation of Madame Senay Gurvit, daughter of President Evren, and Sevinc Karol, president of the Turkish National Women's Federation.

YAO YILIN MEETS TURKISH NEWS AGENCY LEADERS

OW042018 Beijing XINHUA in English 1853 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Chinese Vice-Premier Yao Yilin today expressed the hope for closer links between China and Turkey in every field on the basis of mutual benefit.

Yao also wished the Turkish people great success in developing their country at a meeting with Necati Zincirkiran, chairman of the Administrative Board, and Husamettin Celebi, director general, of ANADOLU AJANSI, here this afternoon.

He briefed the visitors on China's economic reform and foreign policy while answering their questions.

Mu Qing, director general of XINHUA NEWS AGENCY, gave a dinner for the Turkish visitors here this evening.

XINHUA, ANATOLIA Sign Accord

OW040745 Beijing XINHUA in English 0725 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- XINHUA NEWS AGENCY and ANADOLU AJANSI of Turkey signed a cooperation agreement here this morning. The agreement was signed by XINHUA Director General Mu Qing and ANADOLU AJANSI Director General Husamettin Celebi. Necati Zincirkiran, chairman of the Administrative Board of ANADOLU AJANSI, attended the signing ceremony. The Turkish guests arrived yesterday at the invitation of XINHUA.

XINHUA EXAMINES PASOK'S WIN IN GREEK ELECTIONS

OW041816 Beijing XINHUA in English 1618 GMT 4 Jun 85

["News Analysis: PASOK Wins Parliamentary Majority in Greece -- by Xie Chenghao" -- XINHUA headline]

[Text] Athens, June 4 (XINHUA) -- The ruling Panhellenic Socialist Party (PASOK) has won 161 of the 300 seats in the single-house parliament for a second-four year term on 2,909,962 votes, or 45.82 percent of the total.

The New Democracy Party took 125 seats with 2,581,074 votes, or 40.84 percent.

The Communist Party (Exterior), who had been seen as holding the balance of power in a close election, got 626,689, or 9.89 percent, and 13 seats.

PASOK had 174 seats in the old parliament. It got 48.07 percent of the vote in 1981 to 35.87 percent for New Democracy and 10.93 for the Communist Party (Exterior).

The final results are expected to come out later today but they are not likely to change the distribution of parliamentary seats.

PASOK though having more than 2 percentage points less than the 48.07 percent it got in 1981, still enjoys a comfortable majority in the parliament. It will thus be able to organise a new government independently, and to continue its policy of "allagi" (change) over the next 4 years.

The election was seen by many analysts as a big victory for PASOK, because there had been widespread complaints about the continuing high inflation, increasing unemployment as well as failure of PASOK to fulfil some of the promises of its 1981 election platform.

Why the victory? Three waiters and a cashier in a restaurant in downtown Athens told me early yesterday morning during breakfast that they all voted for PASOK. They said they voted for PASOK because they were fed up with the 30 years of the rightist rule.

An important factor in the victory of PASOK was support from the countryside. People from provinces outside Athens said that the income of the peasants had really increased in recent years due to the EEC subsidies as well as the agricultural policies of the government. The cooperative movement is developing, with farming and irrigation being more mechanised.

Papandreu's second term of office continues to face the twin plagues of unemployment and inflation, and the touchy relations with Turkey, a member of the North Atlantic Treaty Organization.

On economic policies, observers believe that the new PASOK government may give more emphasis to the promotion of private investments than before, so as to fight against unemployment and give the whole economy of Greece more vigor.

Though Greece's Western allies are somewhat worried about their future relations with this southernmost Balkan state under Papandreu, who has vowed to remove American bases, and has always taken an independent stand in the NATO organisation, Papandreu has insinuated that he will pay more attention to domestic affairs in the coming years. In an earlier interview with NEW YORK TIMES, he said he found the interest of Greek voters almost exclusively centered on domestic issues, not on foreign relations. So, he said, he saw "calmer seas" in Greece's relations with the United States and its Western European allies after he had won the elections.

In Washington, White House spokesman Larry Speakes said President Ronald Reagan was sending congratulations to Papandreu, and expressed hope for improved relations.

Despite Papandreu's vow to close American bases, Speakes said the United States expects to discuss the issue with him in hopes of maintaining U.S. forces in Greece.

I. 5 Jun 85

PR C I N T E R N A T I O N A L A F F A I R S
EASTERN EUROPE

H 1

SONG PING, CSSR'S POTAC HOLD TRADE TALKS

OW041716 Beijing XINHUA in English 1504 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Chinese State Councillor Song Ping and Czechoslovak Vice-Premier Svatopluk Potac today expressed satisfaction with growing Sino-Czechoslovak economic and technological relations and agreed that there existed broad prospects for bilateral cooperation.

During his talks with Potac here this afternoon, Song Ping, also minister in charge of the State Planning Commission, said he would exchange views with Comrade Potac on the signing of a long-term trade agreement for 1986-1990.

"We hope that through our joint efforts the volume of trade between our two countries between 1986 and 1990 will double the 1981-1985 figure or more," he said.

He believed that on the basis of mutual equality and benefit and of mutual accommodation and understanding the trade negotiations would achieve satisfactory results.

Potac, also chairman of the Planning Commission of the Government of Czechoslovakia, expressed the hope that both Czechoslovakia and China would become important and stable trading partners.

He said they should know each other's hopes and needs better, strengthen economic cooperation in various ways and push bilateral trade and economic and technological cooperation to a new level.

Taking part in the talks were Chen Xian, vice-minister of the State Planning Commission, Wang Pingqiang, deputy to the minister of foreign economic relations and trade, and Potac's entourage as well as Czechoslovak Ambassador Zdenek Cheben.

Potac, his wife and their party arrived here by special plane this morning at the invitation of the Chinese Government. They were greeted at the airport by Song Ping and his wife, leading members of departments concerned and Ambassador Cheben.

YANG DEZHI FETES ROMANIAN MILITARY GROUP

OW041342 Beijing XINHUA in English 1322 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Both Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army (PLA), and Vasile Milea, his Romanian counterpart, today expressed the hope to further strengthen the friendship and cooperation between the peoples and Armies of the two countries.

Yang gave a banquet in honor of a Romanian military delegation headed by Milea, also first vice-minister of the national defence, here this evening at the Great Hall of the People. The delegation arrived in Beijing yesterday.

Yang who visited Romania last July also expressed his conviction that the current visit of the delegation would help promote the Sino-Romanian friendship.

The two Army heads also held talks before the dinner.

Deputy Chief of the General Staff of the PLA Han Huaizhi and Romanian Ambassador to China Angelo Miculescu attended the talks and banquet.

This morning, Yang held a welcome ceremony in honor of the delegation at a square before the military museum of the Chinese people's revolution. Milea accompanied by Yang reviewed a guard of honor of the three services of the PLA.

Later, the Romanian visitors drove to a tank division under the PLA Beijing military area command in the company of Han Huaizhi. The officers and men demonstrated their skill of high-speed driving, crossing obstacles and shooting.

Milea praised the division as having a high level of military training and political quality.

The delegation will leave Beijing tomorrow to tour Hangzhou, Wuhan, Shanghai, Nanjing and Wuxi in east and south China.

ROMANIAN JUDICIAL DELEGATION DEPARTS FOR HOME

OW041822 Beijing XINHUA in English 1639 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- A delegation from the Romanian Supreme Court led by its President Ioan Salajan today left here for home at the end of their visit to China.

During their stay the Romanians visited Beijing, Chengdu, Guangzhou and Shenzhen and held talks with their Chinese colleagues on criminal and civil trials and mediation in civil disputes.

WOMEN'S DELEGATION STOPS OVER IN ROMANIA 31 MAY

OW010216 Beijing XINHUA in English 0203 GMT 1 Jun 85

[Text] Bucharest, May 31 (XINHUA) -- Romania and China said today that their friendly relations will benefit the peoples of the two countries and world peace as well.

This position was expressed during a meeting between Elena Ceausescu, member of the Executive Political Committee of the Central Committee of the Romanian Communist Party, and Lin Jiamei, head of a Chinese women delegation.

The Chinese delegation is making a stopover in Romania on its way to Turkey.

During their meeting, Ceausescu and Lin conveyed to each other the best regards of the leaders of the two countries.

ZHENG TUOBIN MEETS MOZAMBIQUE ECONOMIC GROUP

OW011417 Beijing XINHUA in English 1321 GMT 1 Jun 85

[Text] Beijing, June 1 (XINHUA) -- Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin met with a Mozambican Government economic delegation led by Minister of State of the Presidential Office A. Guebuza here today. In the evening Zheng hosted a dinner for the visitors.

Earlier Vice-Minister Lu Xuejian held talks with the delegation. The two sides expressed satisfaction with economic and technological cooperation in the past and agreed to further it.

Lu expressed the hope that the two countries would increase cooperation in agriculture and light industry. He said that China would send another agricultural group to Mozambique to study the possible projects of cooperation. He also hoped to increase the list of commodities exchanged between the two countries.

Guebuza briefed Lu on his country's political situation and the recent disasters and thanked China for its aid to Mozambique. He said his country had great interest in cooperation with China in agriculture and technological upgrading of the light industry. The Mozambican Government economic delegation arrived here yesterday.

Gu Mu Meets With Group

OW031328 Beijing XINHUA in English 1259 GMT 3 Jun 85

[Text] Beijing, June 3 (XINHUA) -- Chinese State Councillor Gu Mu met with a Mozambican Government economic delegation led by Minister of State of the Presidential Office A. Guebuza here this afternoon.

Gu Mu, also member of the Secretariat of the Chinese Communist Party Central Committee, expressed the hope for the further promotion of mutual understanding and the expansion of cooperation between China and Mozambique in every field.

Guebuza said the Mozambican people are working hard for their economic independence and China's support helps their efforts. Present on the occasion were Vice-Minister of Foreign Economic Relations and Trade Lu Xuejian and Mozambican Ambassador to China Lopes Ndelane Tembe.

Government Pledges Grain

OW031117 Beijing XINHUA in English 1030 GMT 3 Jun 85

[Text] Beijing, June 3 (XINHUA) -- China will give another five thousand tons of corn to Mozambique, bringing the total Chinese aid to 15,000 tons to that country's natural disasters.

A letter to this effect was signed here this afternoon by Chinese Minister of Foreign Economic Relations and Trade Zheng Tuobin and Mozambican Minister of State of the Presidential Office A. Guebuza.

They also signed another letter to the effect that at the request of the Mozambican Government, the Chinese Government agreed to extend by five years the period of use of a Chinese loan to Mozambique provided in 1975. The period of repayment will be postponed accordingly.

U.S. ROLE IN MIDEAST PEACE PROCESS VIEWED

OW021656 Beijing XINHUA in English 1639 GMT 2 Jun 85

["Can U.S. 'Flexibility' Achieve Breakthrough in Middle East Peace Talks? (by Rui Yingjie)" -- XINHUA headline]

[Text] Amman, June 1 (XINHUA) -- Though some progress in reviving the Middle East peace process seems to have been achieved during the four-day visit to the United States by Jordan's King Husayn, difficulties still lie ahead.

Both the United States and Jordan have expressed optimism about the results of Husayn's visit. U.S. President Ronald Reagan said Husayn's efforts would likely lead to direct negotiations between the parties involved in the conflict before the end of this year. Secretary of State George Shultz said Friday that he would like to set up a high-level meeting with a Jordanian-Palestinian delegation as a step toward holding Middle East peace talks.

These were the results of Husayn's visit during which he explained the Palestinian Liberation Organization's shift to a moderate position and its pledge to negotiate, through a Jordanian-Palestinian delegation, a peaceful settlement with Israel on the basis of U.N. Resolutions 242 and 338.

The PLO has previously refused to endorse these two resolutions because they contain recognition of Israel's right to exist while referring to the Palestinians in the context of settling the "refugee problem" without mentioning statehood.

Despite the PLO concession, the Reagan administration reiterated that it will not meet with the PLO until it offers "public and explicit acknowledgement" of U.N. Resolutions 242 and 338. At this stage, the U.S. has only agreed to talk to a Jordanian-Palestinian delegation that would include non-PLO members of the Palestine National Council.

As to Husayn's call for an international conference on the Middle East peace talks, the United States, in an evident softening of its position, at first promised to look into the possibility of such a conference. But the next day it took a step back and flatly rejected the idea of a conference that would give the Soviet Union a role in the Middle East peace talks.

It is not clear whether the U.S. retreat came as a result of Israeli pressure. Israeli Defence Minister Rabin said Thursday that Israel was seeking clarifications from the United States to ensure the Reagan administration had not softened its opposition to a conference.

Israel opposes an international conference because it believes a Soviet-backed Arab delegation would take a hardline negotiating stance and the forum would be weighted against it.

Reports say that there are differences among the PLO leaders on the PLO concession King Husayn mentioned in the United States.

Despite the U.S. agreement to a meeting with a Jordanian-Palestinian delegation, most analysts here view that there is still a long way to go in the Middle East peace process.

'NEWS ANALYSIS' EXAMINES MAURITIUS FREE ZONE

OW041112 Beijing XINHUA in English 0810 GMT 4 Jun 85

["News analysis: Why the Rapid Development of the Free Zone in Mauritius" -- XINHUA headline]

[Text] Beijing, June 4 (XINHUA) -- The free zone in Mauritius has been flourishing in recent years. It earned one third of the total foreign exchange for the Indian Ocean state in 1983 and 175 million U.S. dollars or 40 percent in 1984. The growth rate of economy there is estimated to be 16 percent annually.

This is unprecedented in Africa and rarely seen in other parts of the world.

There were only nine mixed capital enterprises with 600 employees in the zone in 1971, its first year of existence. However, by 1984, the number of factories with foreign investment had risen to 150, employing more than 30,000 workers.

These factories exported textiles, garments, toys, furniture, musical instruments, plastic products and jewelry around the world. Exports of woolen goods from the island exceed ten million pieces each year, making Mauritius the third largest exporter of woolens in the world.

Mauritius is famous for the export of sugar. But, as the price of sugar in the world market keeps declining and cyclones have damaged the island's sugarcane crops time and again, Mauritius has had to seek diversification of its sources of foreign exchange.

It opened up the free zone in 1971, three kms from the port of Luis, capital of the country. Besides, foreign industrialists receive similar favorable treatment wherever they invest in Mauritius' export business. They received tax exemptions for the first ten years, and pay only one quarter of the taxes in the next five years, and half in the following five years. The imports of machinery, spare parts and raw materials are duty free upon entering the country. Profits are freely repatriated. They can even get soft loans from local banks and enjoy cheap consumption of water and electricity on the island.

Apart from the government policies favorable toward foreign capital, there are other conditions that attract foreign industrialists to come and invest. Mauritius is an ideal place in terms of natural and social conditions, where foreign industrialists find it easy to train local workers, pass on technical knowhow and do business.

Mauritius also has good airports and sea ports to provide easy communications with Europe, Asia and other parts of the world. What is most important is the fact that Mauritius is a member state of the Lome Convention whose export products can enter into the European Economic Community duty free. This attraction allows Mauritian products to be competitive around the world.

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PRC INTERNATIONAL AFFAIRS
WESTERN HEMISPHERE

J 1

HU YAOBANG GREETS PERUVIAN PRESIDENT-ELECT

OW040755 Beijing XINHUA in English 0722 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang Monday sent a message to General Secretary Alan Garcia of the Peruvian Popular American Revolutionary Alliance (APRA) to congratulate him on his election as Peruvian president. The full text of his message is as follows:

On the occasion of Your Excellency's election as president of the Peruvian Republic, please allow me to express to you the warm congratulations of the Chinese Communist Party and myself.

I still cherish the pleasant memories of our cordial meeting and happy talks last year when you led an APRA delegation to China at the invitation of the Chinese Communist Party. The Chinese Communist Party appreciates and treasures the efforts you have made to develop the friendly relationship between our two parties, nations and peoples, and believes that the relationship will further develop.

I wish prosperity to the Peruvian Republic and happiness to the Peruvian people.

Li Xiannian Message

OW041149 Beijing XINHUA in English 1133 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Chinese President Li Xiannian today sent a message to General Secretary of the People's Party of Peru Alan Garcia, warmly congratulating him on his election as the president of the Republic of Peru.

The message said: Since the establishment of diplomatic ties between China and Peru, relations between the two countries in the political, economic and cultural fields have developed satisfactorily.

President Li expressed the belief that during the term of office of the president-elect, the friendship and cooperation between the two countries and the two peoples will be further strengthened and enhanced.

He also expressed his sincere wish that Peru will attain new achievements in building its own country, enhancing unity and cooperation among the Third World countries and promoting regional and world peace.

GU MU MEETS MEXICAN SCIENTIFIC DELEGATION

OW301744 Beijing XINHUA in English 1523 GMT 30 May 85

[Text] Beijing, May 30 (XINHUA) -- State Councillor Gu Mu met here this afternoon a Mexican science and technology delegation led by Hector Mayagoitia Dominguez, general director of the National Council of Science and Technology. Gu and Mayagoitia exchanged views on scientific and technological cooperation between the two countries. After their meeting, Gu attended a ceremony for signing the minutes of the seventh Sino-Mexican conference on scientific and technological cooperation.

According to the minutes, China and Mexico agreed to have more exchanges in agriculture, animal husbandry, fisheries, medicine, energy, basic sciences, urban development, ecology and personnel training as priorities in furthering their scientific and technological cooperation.

7 BEIJING SOCCER RIOTERS FACE PROSECUTION

OW041918 Beijing XINHUA in English 1907 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- Seven people now face prosecution for involvement in a soccer riot on the evening of May 19, the Beijing Municipal Public Security Bureau said today.

They have been found disrupting the order of social administration, the bureau said, quoting relevant articles in China's criminal law. The riot broke out after the Chinese team lost to the Hong Kong team 1:2.

The seven, according to the bureau, "deliberately" made trouble -- smashing bus windows, overturning a taxi, beating and kicking policemen sent to restore order and throwing bottles at Hong Kong players. Police held over 100 people for examination. Thirty-eight were detained for 12 to 15 days for disrupting social order. All are now free, having completed their terms.

Seventy-eight others were allowed to return home after acknowledging their errors, the bureau said.

XINHUA Commentator

OW050232 Beijing XINHUA Domestic Service in Chinese 1544 GMT 4 Jun 85

[Text] Beijing, 4 Jun (XINHUA) -- XINHUA commentator's article: Intensify the Education on Law and Discipline, Maintain Good Social Order

Willful troublemaking after a soccer game by some people inside and outside the Beijing Workers Stadium on the evening of 19 May caused a riotous incident and disrupted social order. In the course of stopping and calming down the incident, public security organs detained, according to the law, more than 100 troublemakers and participants in the incident and conducted a concentrated investigation of them. Now, after completing the investigation of each individual, the public security organs have meted out disciplinary measures. It seems that the incident is basically over. However, it has left us a few lessons and question for deep thought.

The riot at the Beijing Workers Stadium caused the most serious destruction and harmful influence since the founding of the PRC. While the people in the country were distressed and indignant and friends abroad astounded and sad, a few unfriendly foreign mass media seized the incident to exaggerate matters. The public security organs' punishments of the troublemakers, who violated the criminal law or other relevant laws, and the investigation and education of those who made mistakes, are appropriate and necessary. Such actions also conform to popular sentiment.

However, a few individuals regard such troublemaking as "normal" and "frequently seen" in international sports competition. This is a muddled idea. Can we call activities such as insulting and beating the players, attacking law enforcement personnel, smashing and overturning cars, and destroying public facilities after a game "normal"? No, they are very abnormal and serious violations of the law. Even in foreign countries, they are not "frequently seen," and, even if such incidents occurred occasionally, the troublemakers were condemned and punished. In our socialist country, such activities are evenmore impermissible and abnormal. The troublemakers deserve the punishment by law.

Nevertheless, a few individuals regard such troublemaking after a soccer game as "motivated by patriotism" and "a patriotic act." This view is also obviously wrong. Genuine patriotism means cherishing the honor of the country, protecting state property, and respecting the law of the land.

But the stupid, frenzied, barbaric disruptive activities by the rioters at the Beijing Workers Stadium are tantamount to insulting the dignity of the nation, damaging the state system, and violating the law of the land. All people who understand the law, love the country, and observe social ethics should condemn and stop such activities.

The most fundamental way to prevent and stop the recurrence of such a law-breaking, disruptive incident is to intensify education on law and discipline. In view of the fact that the overwhelming majority of the troublemakers in the incident are young people in their teens or twenties, we must undertake a serious assignment; that is, to conscientiously intensify ideological education and education on law and discipline among the young people thereby enabling them to foster genuine and noble patriotism, collective sentiment, and communist ideals; cultivate a sense of law and discipline; and earnestly abide by discipline and law at all times. This is an obligation and responsibility, which every leader, educator, and parent should not neglect. It is also an important aspect in building socialist spiritual civilization. We should learn a sufficiently profound lesson from the incident. As long as we constantly bear the lesson in mind, conscientiously strengthen the ideological work and education on law and discipline, and make everyone understand and abide by law as well as respect law and discipline, we will be able to maintain order at our sports events and quickly bring about a change for the better in our prevailing social practice.

COMMUNES REPLACED BY TOWNSHIP GOVERNMENTS

OW041514 Beijing XINHUA in English 1444 GMT 4 Jun 85

[Text] Beijing, June 4 (XINHUA) -- China has finished restructuring people's communes by separating their administrative and economic functions.

The 56,000 communes have now been replaced by 92,000 rural town and township governments set up through restructuring in recent years, said the Civil Affairs Ministry today. The communes, set up throughout the country during the "Great Leap Forward" movement in the late 1950's, combined government administration and management of the collective economy in the countryside. Each commune governed several villages, called "production brigades". The brigades have now been replaced by 820,000 directly elected villagers' committees.

Rural economic entities, such as agriculture-industry-commerce companies as in parts of Jiangsu Province, have taken over the economic function of communes, the ministry said. In some places, the name "people's commune" is still retained, but the commune now is a purely economic organization.

TV SHOWS PLA PERMANENT DEPUTY CHIEF XU HUIZI

HK041139 [Editorial Report] Beijing Domestic Television Service in Mandarin at 1100 GMT on 1 June, during its regular evening newscast, shows a 1-minute film clip of Xu Huizi, identified by the announcer as "permanent deputy chief of the PLA General Staff" [zong can chang wu fu zong zhang], attending a 31 May Beijing meeting held by "organizations under the PLA General Staff Department" to commend advanced kindergartens and advanced kindergarten teachers. The film shows Xu Huizi and (Hao Zhiping), identified by the announcer as members of the Executive Committee of the All-China Women's Federation, addressing the meeting and presenting certificates of merit to several representatives at the meeting.

The announcer states: "Xu Huizi, permanent deputy chief of the General Staff Department of the PLA, and (Hao Zhiping), member of the Executive Committee of the All-China Women's Federation, attended and addressed the meeting. They called on all units to conscientiously implement the spirit of the national conference on educational work, further enhance their understanding of preschool education, give fewer empty talks, do more practical work, and be circumspect and farsighted in promoting the work of molding future figures [su zao wei lai]. After the meeting a theatrical performance was given by children."

The film's only caption reads: "The PLA General Staff Department commends a group of advanced collectives and individuals in promoting preschool education."

RENMIN RIBAO LETTER ON FAMILY PLANNING LOOPHOLE

HK041013 Beijing RENMIN RIBAO in Chinese 4 Jun 85 p 3

[Letter from Xu Yaping: "Plug Up a Loophole in Planned Parenthood Work"]

[Text] Recently, I discovered in Menghai County of Xishuangbanna Tai Autonomous Prefecture, Yunnan Province, the serious problem of some people temporarily employed from other localities having children without paying attention to family planning. According to information provided by the Menghai County Industry and Commerce Bureau, the total number of people temporarily employed from other localities who have been given certificates or licenses by neighboring counties or other provinces and who have registered for work with the county amounts to nearly 3,000. They are all in the prime of life. Many of them have brought their wives with them and are in their prime child-bearing period. One of their purposes in bringing their wives with them is to give birth to more children. A nearly 40-year-old man who came from Sichuan to build houses on a contract basis and who already has one boy and one girl at home, has had two children since he came here with his wife 2 years ago. Their answers to the question why they have done so are almost the same: "I would never have been permitted to give birth to another child in my home village. Since I am from another locality and my residence is not registered here, nobody here will interfere with how many children I am going to have." I asked them: "How will the child's residence be registered after you return to your home village?" They replied: "That will be easy. I will simply say that I have picked up and adopted an abandoned child here. Even if the residence of the child is not allowed to be registered, it will not matter because the child will then already be 2 or 3 years old. Somehow he will be recognized as my son!"

With this problem in my mind, I visited the Menghai County Family Planning Office. The people there said: We have long been aware of this problem, but can do nothing about it because the family planning committee of each county only handles the child-bearing problem of people whose residence has been registered with the respective county. It can do nothing about people temporarily employed from neighboring counties and other provinces who give birth to children without paying attention to family planning.

Comrades of the county Family Planning Office pointed out: This is a loophole in family planning. At present similar problems exist in various provinces. This loophole cannot be plugged through the efforts of any one county alone. Unified effective measures should be formulated for people who temporarily go to work in other localities throughout the country. For example, various counties, prefectures, and provinces should ask people who apply for permission to temporarily work in other localities to make a written guarantee saying that during their stay they will not give birth to a child without following the requirements of family planning. Various districts and counties throughout the country should have the power to supervise the family planning situation of people who are temporarily employed from other localities.

RENMIN RIBAO URGES HELPING RICH, SUPPORTING POOR

HK041129 Beijing RENMIN RIBAO in Chinese 2 Jun 85 p 1

["Weekly Forum" by Gu Jiawang: "'Adding Flowers to the Brocade' and 'Sending Charcoal in Snowy Weather'"]

[Text] It is no exaggeration to call this a miracle: In only 5 to 6 years time, the Chinese countryside inhabited by 800 million people has undergone changes which have attracted worldwide attention, and the peasants have gradually become rich one group after another. However, up to now a considerably large number of peasants have not yet been lifted from poverty and backwardness because after all there was a poor foundation to start with and a large population to feed and, in addition, the conditions vary from place to place. As some people say, "the terrain in one place differs from that in another place 10 li away, and the folk customs in one place differ from those in another place 100 li away."

The central leading comrades have shown close concern for the production and livelihood in the poor and backward areas. Recently they have put forward significant opinions on the lack of concern for the well-being of the masses as shown by some cadres in Ankang Prefecture, Shaanxi. They demand that the cadres who show concern for the masses and are honest in performing their official duties be promoted through public opinion polls. This point merits close attention by many localities.

Some comrades just regard the party's policy of enriching the people as a means of encouraging some people to get rich and a norm for showing off their achievements or measuring the achievements of others. Such a view and attitude are incorrect.

The party's policy of enriching the people should be approached from two aspects: First, encouraging a group of people to get rich before others is a major policy adopted after the 3d Plenary Session of the 11th CPC Central Committee. Helping all people to become rich together does not and cannot possibly mean letting them get rich synchronously. There must be an order in which some people get rich before others. Practice over the past few years has shown that this policy is successful because it has realistically aroused the enthusiasm of the masses in production. Our faith in this policy should in no way waver. We should continue to help those who have already become rich and tackle their new problems and resolve their new contradictions so that they can play a better, exemplary role. Second, our ultimate goal is to become rich together. Socialism will, through social production, "ensure that all social members will lead an abundant, increasingly more plentiful material life." Therefore, while helping the rich, we must support the poor so that we will not be separated from the vast majority of "society members."

The party's policy of enriching the people should be explained in an all-round manner in the countryside. We may say this: While creating conditions for the industrious, capable peasants -- who willingly delve into science and technology -- to become rich before others, we must lead and induce more and more peasants in taking the road to prosperity. A saying goes: "When one flower blossoms, a hundred others will also blossom." This is a highly appropriate, vivid description. Helping the rich and supporting the poor, just like "adding flowers to the brocade" and "sending charcoal in snowy weather," is a complete, all-round manifestation of the party's policy of enriching the people in the countryside. If the rich are exhausted in relieving the poor, if the outstanding households are attacked as soon as they appear, and if such diseases as "being jealous of the rich" and "giving a cold shoulder to the poor" are allowed to spread unchecked, then everyone will return to the so-called socialist road where they were tied up together and lived in poverty.

On the other hand, when cadres -- like the few in Ankang Prefecture who adopted an incorrect work style did -- help the rich without supporting the poor, pay no attention to "sending charcoal in snowy weather" to the needy households who are desperate for assistance, and fail to give them every possible help and guidance in terms of technology, funds and information, how can they say that they have wholeheartedly served the people?

Comrade Deng Xiaoping pointed out at the recent national science and technology conference: "In encouraging some regions to become well-off first, our aim is to enable these regions to help develop places still lagging behind, not to cause class polarization. Similarly, encouraging some people to get rich first is aimed at getting these people to help those still living in poverty to become wealthy too." Thus, in implementing the party's policy of enriching the people, we must give a warm welcome to those who get rich before others. We must also enthusiastically help the others extricate themselves from poverty and backwardness and catch up with the rich as quickly as possible.

NANJING MILITARY REGION SCALES DOWN MEETINGS

HK041043 Beijing RENMIN RIBAO in Chinese 30 May 85 p 1

[Report by staff reporter Sun Jian: "The Nanjing Military Region Turns Large Meetings Into Small Ones and Cuts Long Meetings Into Short Ones"]

[Text] On the morning of 20 May, the Nanjing Military Region held a 1 and 1/2 hour meeting of advanced representatives in learning science, technology, and culture and training people capable of doing both Army and civilian work, which was originally scheduled for 4 days. The meeting was held without the formality of opening and closing ceremonies and the number of participants was also reduced from 1,000 to 167. The meeting similarly achieved the objective of deepening the participants' understanding and exchanging experiences. The participants' unanimously praised the meeting, saying that the short meeting had been held satisfactorily, that it had succeeded in reforming the style of meeting and improving work efficiency, and that the leading organs of the military region had set a good example for the grass-roots units.

The Nanjing Military Region has always grasped the work of learning science, technology, and culture and training people capable of doing both Army and civilian work as an important task for Army building in the new period. It held the meeting to commend the advanced for the first time, which also served as an occasion to inspect Army work in training people capable of doing both Army and civilian work and not as a meeting of an ordinary work character. The CPC Committee Standing Committee of the Nanjing Military Region on several occasions discussed the preparations and ways the meeting should be held. It held that in the current situation characterized by reform of the PLA structure, retrenchment, and reorganization, the leading organs should take the lead in improving the work style, that the importance of a meeting does not lie in its scope but in its results, that efforts should be made to cut back on unnecessary meetings, that a small meeting should be held when it is not necessary to hold a large meeting, that separate meetings should not be held when a joint meeting can be held, and that in this way we can genuinely emancipate leading cadres from an excessive number of redundant meetings and duplicate documents and lead Army reform and building satisfactorily.

The meeting to commend the advanced held by the Nanjing Military Region cut short the time of the meeting. It did not organize a discussion of the report delivered at the meeting, nor did it ask the participants to deliver typical speeches, because the good experiences of the participants were publicized to various Army units through newspapers and magazines. Still less did the meeting organize the participants to go sightseeing. Thus, it succeeded in saving more than 50,000 yuan in accommodation and food allowances alone.

The meeting was satisfactorily held also because the leading comrades did not attend the meeting as invited guests and did not take turns to deliver speeches. None of the three deputy commanders of the PLA units under the military region attended the meeting as invited guests. The principal leading comrades of the armies, divisions, and regiments under the PLA units and the office workers of the military region did not attend the meeting either. Every unit at the army level sent only one leading comrade to head the participants of his unit. None of the responsible comrades of the provinces and cities where the units were stationed was invited to the meeting. A deputy director of the Political Department of the military region presided over the meeting, at which a deputy political commissar delivered a report. Moreover, the report was also reduced from 12,000 characters, as originally planned, to 4,000 characters.

Commentator's Article

HK041045 Beijing RENMIN RIBAO in Chinese 30 May 85 p 1

[Commentator's article: "How Have We Been Spending Our Time?"]

[Text] As every year, every month, every day, and each hour pass, the old man of time is fair in bestowing time to everybody. However, for every hour, every day, every month, and every year, the return everybody pays to the old man of time is quite different. How do we spend our time? Everybody, and comrades in leading posts in particular, should thoroughly think over this question.

Leading comrades on every front are very busy in striving for the four modernizations and a well-to-do living standard. But there are different ways in which they are spending their time. Tens of thousands of comrades are concentrating their efforts on key problems, doing things in a down-to-earth manner and making conspicuous achievements which are beneficial to both the state and the masses. However, some comrades are doing things in another way: They are busy participating in various meetings which help to solve no problems, preparing irrelevant documents, taking part in various "internal activities," and making meaningless arrangements to maintain an outward show to mislead examiners and visitors.... Being busy in these ways is a waste of energy and time. What is the use of such efforts to the state and people? In doing everything, we must stress its effects; therefore it is absolutely necessary to study the social effects of these "efforts."

"Time is money and efficiency is life." Nowadays more and more people know this truth. Our leading cadres should have more intimate experience in this respect. The time of a leader of a unit, a department, or an area does not belong to himself alone. Whether he uses his time effectively or wastes it in a meaningless way will affect tens of thousands of people. This is a test to verify whether a leadership style is in keeping with the new situation and whether the mental state of a leading cadre meets the requirements by the party.

Exhausted by meetings at different levels, a young peasant shock worker worked only 27 days in 5 months. Although this is a very exceptional case, it does prove that unnecessary meetings can cost people much valuable time.

A congress of the advanced sponsored by the Nanjing Military Region was originally planned to occupy 1,000 participants for 4 days. With the number of participants cut to more than 160 and the time duration to only 1.5 hours, the congress proved to be a great success. This example once again shows that change in the leading style can save many people much time, which they can use to accomplish many real tasks.

The on-going economic structural reform and other reforms are complicated and arduous tasks without precedent, which call for full devotion and meticulous work. Many real problems, problems relating to policies, and ideological problems arising from the reform badly need to be properly handled. Therefore, our leaders are required to strengthen their sense of responsibility, improve their work style, get away from the "mountain of documents and sea of meetings," go deep into the realities of life, make conscientious study, and make decisions carefully. If they do not spend their time in this way but rather in red tape and trivial matters, they will possibly be shortsighted, fail to smash trammels, and thus hamper the great reform.

As the old saying goes: "Those who do not know the key to administration of the state will make things worse despite the great efforts they have devoted." The reform of our working methods and the improvement of our work efficiency have become a more and more urgent need. Let us check our notebooks to see what we have been engaged in and what we have achieved. Also, let us check our daily schedules to see what we are going to be engaged in and to find out what tasks need more time and more energy and to what aspects we should devote less time or even simply save our time.

GUANGMING RIBAO EXERCISING LEADERSHIP PROPERLY

HK041119 Beijing GUANGMING RIBAO in Chinese 26 May 85 p 1

[Commentator's article: "Exercising Leadership Means To Serve"]

[Text] "What is exercising leadership? Exercising leadership means to serve." This view raised by Comrade Deng Xiaoping recently is of universal significance to leaders at all levels.

All organized societies and significant undertakings cannot be without leadership. But what are the duties in exercising leadership? What is genuine leadership? Not all leaders have a clear understanding of these.

Some leaders think that exercising leadership means drawing circles, putting forth suggestions, and issuing orders. They think that by doing all these, everything will be all right. Whether the decisions they make, the suggestions they put forth, and the orders they issue are correct and acceptable to the masses, whether they meet difficulties and remove obstacles, these are matters for their subordinates and leaders need not bother about. Some leaders may not say so, but they are doing so every day and do not feel that there is anything wrong.

"Exercising leadership means to serve" is a new requirement. Judged by this requirement, the above-mentioned leaders are at least not perfect leaders. Of course, leaders should put forth suggestions and issue orders and will sometimes draw circles. But these are not all they should do. In terms of the Marxist theory of knowledge, understanding the world is very important, but it is not our aim. Our aim is to change the world. In terms of the process of recognition, making decisions and issuing orders are only the stage of understanding the world.

Only by implementing these decisions and instructions in our practical work and achieving practical results can we achieve the aim of changing the world. As a leader, one should not be content with making decisions and issuing orders, but should go deep into practice, listen to the voices and suggestions of the masses, understand problems in implementing decisions and instructions, guide and help low-level organs and cadres to formulate measures and to supervise the solving of the problems. This is what the central leading comrades have repeatedly called for, namely, "paying less lip service and doing more practical work," or "to serve." Leaders who have done so are perfect leaders or the "people's servants" advocated by the Paris Commune.

The 3d Plenary Session of the 12th CPC Central Committee has made a decision on reform of the economic structure, and the CPC Central Committee has recently made decisions on reforming the science and technology system and the educational system. The way has been pointed out and the blueprint has been made public. Leaders at all levels must establish the idea that "exercising leadership means to serve," respond to the call of "paying less lip service and doing more practical work," and do solid work for the overall implementation of the three important decisions, successful economic construction, and party rectification so as to achieve practical effects. This should be regarded as a sign to assess whether the leaders are qualified and mature and a sign to assess the level and achievements of leaders.

STATE COUNCIL REGULATIONS ON TECHNOLOGY IMPORTS

OW042357 Beijing XINHUA Domestic Service in Chinese 0014 GMT 3 Jun 85

[Text] Beijing, 3 Jun (XINHUA) -- "Regulations of the People's Republic of China on Controlling Technology Import Contracts" (promulgated by the State Council on 14 May 1985)

Article 1. The regulations are formulated for the purpose of expanding economic and technical cooperation with foreign countries, upgrading China's scientific and technical standards, and stimulating the development of the national economy.

Article 2. Technology imports specified in these regulations mean technological items obtained, through trade or economic and technical cooperation, by companies, enterprises, organizations, or individuals (hereafter referred to as recipients) within the People's Republic of China from companies, enterprises, organizations, or individuals (hereafter referred to as suppliers) outside the People's Republic of China. These items include:

1. Patents, transfers, or permits of other industrial production franchises.
2. Specialized technology such as technological processes, prescriptions, product designs, quality control, as well as management provided in the form of blueprints, technical data, and technical norms.
3. Technical services.

Article 3. Imported technology must be advanced and practical and must be capable of one of the following:

1. Developing and producing new products.
2. Upgrading the quality and performance of products, lowering production costs, and conserving energy or materials.
3. Enabling the comprehensive utilization of China's resources.
4. Expanding the export of products and of increasing foreign exchange earnings.

5. Helping protect the environment.
6. Enhancing safety in production.
7. Helping improve management and operations.
8. Helping upgrade the scientific and technological level.

Article 4. The recipient and the supplier must conclude a written contract on technological imports (hereafter referred to as a contract). Within 30 days after the signing of a contract, the recipient must submit an application for examination and approval by the Ministry of Foreign Economic Relations and Trade of the People's Republic of China or by other organs (hereafter referred to as examination and approval organs) authorized by the ministry; an examination and approval organ shall decide whether to approve an application within 60 days after receiving the application; contracts will go into effect beginning from the day of approval. If an examination and approval organ fails to reach a decision on a contract within the specified examination and approval time limit, the contract shall be construed as approved and will automatically go into effect.

Article 5. The signing of contracts on technological imports should abide by the "Law of the People's Republic of China on Economic Contracts With Foreign Countries" and the relevant provisions of other laws. The following matters should be clearly specified in the contract by both parties:

1. Necessary explanations regarding the contents and scope of the technology to be imported. If the import item involves patents and trademarks, a detailed list of both should be provided.
2. The estimated technological targets to be achieved, as well as the specified time and measures for achieving these targets.
3. Payment, the composition of payment, and payment methods.

Article 6. The supplier must guarantee that he is the legal possessor of the technology being provided. Moreover, he must guarantee that the technology being provided is complete, faultless, and effective and will be able to achieve the targets specified in the contract.

Article 7. The recipient should undertake the commitment to keep secret, within the scope and specified time agreed upon by both sides, the classified portion of the technology provided by the supplier.

Article 8. The deadline of a contract should correspond to the time limit during which the recipient has the right to use the imported technology. The deadline shall not exceed 10 years unless otherwise approved by an examination and approval organ.

Article 9. The supplier must not force the recipient to accept unreasonable, restrictive requirements; without the special approval of an examination and approval organ, a contract shall not be permitted to include the following restrictive provisions:

1. A provision that requires the recipient to accept supplementary conditions that are not related to the imported technology, including the purchase of unnecessary technology, technical services, raw and semifinished materials, equipment, or products.
2. A provision that restricts the freedom of the recipient to purchase raw and semi-finished materials, parts, components, or equipment from different sources.
3. A provision that restricts the recipient from developing and improving the imported technology.
4. A provision that restricts the recipient from obtaining similar technology or competitive technology of the same category from other sources.
5. Inequitable conditions for improving technology exchanged by both sides.
6. A provision that restricts the quantity, variety, and selling prices of products produced by the recipient using the imported technology.
7. A provision that unreasonably restricts sales channels or export markets of the recipient.
8. A provision that forbids the recipient from continuing to use the imported technology after the expiration of the contract.
9. A provision that requires the recipient to pay for or to accept responsibility for unused patents or patents that have ceased to be in force.

Article 10. Contracts submitted for approval must be accompanied by the following documents:

1. An application for approval.
2. A copy of the contract and a translated version of it.
3. A document verifying the legal status of the two parties signing the contract.

Article 11. The provisions of Articles 4 and 10 of these regulations should be followed in concluding a contract or extending the deadline of a contract.

Article 12. The Ministry of Foreign Economic Relations and Trade will be responsible for explaining these regulations and drawing up rules for the implementation of these regulations.

Article 13. These regulations shall go into effect on 14 May 1985.

Trade Official on Regulations

OW040109 Beijing XINHUA Domestic Service in Chinese 0046 GMT 3 Jun 85

[Text] Beijing, 3 Jun (XINHUA) -- In connection with the promulgation of the "Regulations of the People's Republic of China on Controlling Technology Import Contracts" by the State Council XINHUA, JINGJI RIBAO, and GUOJI SHANGBAO [INTERNATIONAL COMMERCIAL NEWS] reporters visited a responsible person of the Ministry of Foreign Economic Relations and Trade.

The following are the responsible person's answers to questions raised by the reporters:

Question: Why is it necessary to promulgate these "regulations?"

Answer: In recent years, our country's import of technology has developed very rapidly under the guidance of the policy of invigorating the domestic economy and opening to the outside world. The number of contracts on importing foreign technology has increased, and their scale has also expanded significantly. There are many patterns for these contracts. We are importing technology or equipment from more than 20 countries and regions. Following the reform of the economic structure, various departments, localities, and enterprises have expanded their decision-making power, and we now have a new situation in which technology is being imported throughout the country.

In order to further develop trade, economic, and technological cooperation with various countries of the world and promote the import of technology, we must strengthen the legal system and overall control while adhering to the policy of invigorating the domestic economy and opening to the outside world. The "regulations" were formulated based on our country's actual experience in importing technology and the experience of some developing countries and through discussions among Chinese and foreign experts.

Question: Please explain the significance of the "regulations."

Answer: In developing technological trade and economic cooperation with various countries of the world, we must create a favorable environment. In the past, further development of this cooperation was hampered by our unsound laws and regulations. In particular, our foreign cooperators had doubts about whether we would effectively protect the advanced technology transferred to us. They were afraid that, after gaining the advanced technology, we would willfully disseminate it and thus endanger their economic interests. The "regulations" legally protect the legitimate rights of both sides and thus lay a good foundation for developing cooperation between China and other countries.

Question: What is the scope of control of the "regulations?"

Answer: Article 2 of the "regulations" stipulates that the "regulations" govern the obtaining of technology by companies, enterprises, organizations, or individuals in China from companies, enterprises, organizations, or individuals outside China through trade or economic and technical cooperation, including the transfer of patent rights, permits, or other industrial production rights, specialized technology and technical services. In other words, all contracts concluded through trade or economic and technical cooperation concerning the transfer of patent rights, permits, or other industrial production rights, specialized technology and technical services will be governed by these "regulations." Contracts concluded by enterprises of foreign capital which have registered with Chinese industrial and commercial administrative departments, joint ventures of Chinese and foreign firms, and enterprises operated jointly by Chinese and foreign firms in order to import technology from abroad are also governed by these "regulations."

However, foreign technology as part of the capital investment by the foreign partner of joint ventures of Chinese and foreign firms will be governed by the Law of the People's Republic of China on Joint Ventures Using Chinese and Foreign Investment instead of these "regulations."

Question: Will you please talk about the necessity of examination and approval of contracts regarding importing foreign technology?

Answer: The examination and approval of contracts in regard to importing foreign technology are important means of the state in administering technology importation. The main purpose is to ensure that the contents of contracts are in accord with the policy and law of the state, protect the interests of both sides, and confirm the earnest nature of the contracts. It is conducive to the successful implementation of the contracts. It is favorable to both sides of a contract and also has an important meaning in strengthening the control over technology importation.

Question: Will you please talk about the restrictive provisions?

Answer: Restrictive provisions are frequent problems in international technological transfer. Unreasonable restrictive provisions in a contract of importing technology violate the principle of equality and mutual benefit. Based on our country's actual experience with reference to the laws of other countries, the "regulations" stipulate that under normal conditions nine restrictive provisions will not be permitted. However, under special circumstances, they can be made flexible with the special approval of the organizations in charge of the examination and approval of the contracts. The integration of principle with flexibility will be favorable to both sides of a contract.

HEBEI CPC COMMITTEE ON COMBATING IRREGULARITIES

0W032341 Beijing XINHUA Domestic Service in Chinese 0243 GMT 2 Jun 85

[Text] Beijing, 2 Jun (XINHUA) -- Trial Opinions of the Hebei Provincial CPC Committee on Drawing Demarcation Lines in Applying Certain Policies While Combating New Unhealthy Practices (Excerpts)

To accurately and effectively combat new unhealthy practices, and to expedite and ensure normal development of reform; on the basis of the relevant regulations and guidelines set by the party Central Committee and the State Council; and in accordance with Hebei's actual situation, the following opinions are put forward regarding drawing demarcation lines by party and government organs, institutions, and state enterprises in applying certain policies, while combating new unhealthy practices.

1. On Drawing a Demarcation Line Between New Unhealthy Practices and Mistakes in Carrying Out Reform

New unhealthy practices are different, in principle, from mistakes made in carrying out reforms. The fundamental way to differentiate between the two is to judge them on their objectives: to build a prosperous and strong country with affluent people, or to seek personal gain, or the selfish interests of a small group of people. Mistakes due to inexperience, or similar reasons in attempts to build a prosperous and strong country with an affluent people, are problems, not unhealthy practices, appearing in reforms; whereas unhealthy practices refer to the acts of seeking personal gain, or the selfish interests of a small group of people in the name of reform, taking advantage of one's authority or position, and in total disregard of the interests of the state and the people as a whole.

To combat new unhealthy practices, it is imperative to draw clear demarcation lines in applying policies. The illegitimate income of those who seek illegal self-interests, a small group of people, should be confiscated; and those whose cases are serious must be punished. Those who violate law and discipline, practice graft, or embezzle in the name of reform must never be tolerated, but must be harshly punished. Special efforts must be exerted in handling the problems arising among leading organs or leading party member-cadres, and those involving the masses must be handled cautiously.

If a unit engages in unhealthy practices, the unit's leadership is to blame; but if the masses are engaged in irregularities, they should be given positive, ideological education.

In the course of combating new unhealthy practices, attention must be paid to preserving the enthusiasm of cadres and masses in carrying out reform. In the course of reform, caution must be exercised in handling problems caused by imperfect exploratory measures, or by interference in one way or another, and reform measures should not be regarded as unhealthy practices. Comrades who have committed mistakes in the course of reform owing to inexperience or misunderstanding of policies should primarily be educated and helped to draw a lesson from their mistakes, and should be supported, and encouraged, to continue to explore, and create, a new situation while doing their work.

2. On Handling Problems Concerning Party and Government Organs Doing Commercial Business and Operating Enterprises

Problems concerning party and government organs doing commercial business and operating enterprises must be handled earnestly, in accordance with the decision of the CPC Central Committee and the State Council, which strictly forbids cadres of party and government organs to do commercial business, or operate enterprises. Commercial firms they have set up will be reorganized on a selective basis, and whichever ought to be closed should be closed, and their debts properly liquidated. All acts of buying up, and reselling, the state's major means of production, or durable consumer goods in short supply, and all speculative acts of reaping windfall profits, taking advantage of one's authority or position, must be firmly banned, and illegitimate incomes confiscated. Those permitted to continue operating should operate independently, be responsible for profit or loss, and be dissociated from government in terms of personnel, and financial and material resources.

In handling the question of party and government organs engaged in commercial business and operating enterprises, the time factor should be considered. In general, those enterprises which had stopped operating by the end of July 1984, after the general offices of the CPC Central Committee and the State Council ruled that incumbent party and government cadres are forbidden to cosponsor enterprises with the masses, will not be investigated, nor will they have to return bonuses or profits obtained through legitimate operation; but those enterprises which have not stopped operating as required, must examine their attitude. Their profits, and the dividends paid, should be delivered to the state treasury, according to the regulations of departments concerned, and the dividends on the money individual stockholders paid for their share should be paid according to the bank's going rate of interest for savings deposits. If dividends exceed interest, however, excessive portions should be returned. Unprofitable enterprises will return to individual stockholders only money paid for shares, but without interest. Enterprises which delayed, or refused to make, corrections, even after the CPC Central Committee and the State Council issued the decision forbidding cadres of party and government organs to do commercial business or operate enterprises, will be punished for violating discipline.

Cadres of party and government organs requesting leave without pay, or resigning in order to go into business and run enterprises, should be strictly examined before approval is given. Those who left their regular work to do business and run enterprises without approval shall be considered to have resigned on their own accord.

Cadres who have retired from party and government organs can be hired to administer village and town, as well as neighborhood, enterprises. They are not allowed to engage in illegal deals in important means of industrial production and durables in short supply, or to seek huge profits by using influence and personal connections acquired when in leading positions. How their original material benefits change will be determined through consultations between the units to which they belong and the hiring enterprises, by taking into consideration their incomes from hired positions, and by following the relevant stipulations in the CPC Central Committee and the State Council's decision on strictly forbidding party and state organs and cadres from doing business and running enterprises.

3. On Drawing the Demarcation Line Between State-Run Enterprises Engaged in Diversified Undertakings, and Those Doing Business and Running Enterprises by Selfish Abuse of Power

State-run industrial and commercial enterprises may concentrate on one main profession, while engaged in diversified undertakings, to create more opportunities for production and services. They may run publicly- or collectively-owned, but must not use their power and position to operate "small enterprises" harming the interests of state-run enterprises, benefit small groups at the expense of the state, or seek individual private gain at public expense. Existing "small enterprises" of this type should be earnestly reorganized and handled, according to the relevant regulations on party and state organs doing business and running enterprises. State banks should, as stipulated, support banking services run by the masses, in order to absorb idle capital, regulate funds, and develop the economy. However, it is forbidden to run "small banks" receiving low-interest loans from state banks, which are, in turn, extended to others at a higher rate, thereby effortlessly benefiting from interest differences. Public funds, or funds pooled by workers and staff, must not serve as share contributions to any units, or pay dividends. Existing "small banks" should be terminated. Shares contributed to other units should be returned. Profits derived from these two sources, as well as the portion of the dividends due to individual shareholders in excess of the interests calculated at the bank's going interest rate for savings deposits, should be paid to the state treasury.

4. On Drawing the Demarcation Line Between Properly and Indiscriminately Paid Bonuses

Properly paid bonuses are those conforming to policy regulations, having proper sources, and having a reasonable method of payment. Indiscriminately paid bonuses are those violating policy regulations, whose criteria of payment are unilaterally raised, whose scope of payment is overextended, and whose sources are improper. They are acquired through fraud and falsification, and are paid to achieve selfish ends, or to show favoritism. These bonuses should be checked and corrected.

In 1985 party and state organs, as well as establishments paying bonuses, should strictly implement the regulations in the "Emergency Circular on Strictly Controlling the Payment of Bonuses and Subsidies," issued by the general offices of the CPC Central Committee and the State Council. Each year, they should pay fund-saving bonuses not exceeding a month's standard wage. Establishments with incomes from businesses may pay bonuses in accordance with the provisions in the relevant documents of the Finance Ministry in 1985. Scientific research units and cultural and art departments may pay bonuses in accordance with the provisions of the State Council's relevant documents. Problems arising in bonus payments in 1984 should be earnestly straightened out in accordance with the relevant regulations of the State Council and the provincial governments at that time. The amount in excess of the prescribed limit should be returned.

Of the organizations that are both government organs and enterprises, procedures for bonus payment of state-run enterprises should apply to those clearly designated as enterprises in nature during organizational reform; the same procedures may also apply to those not clearly designated as enterprises in nature, but have, in fact, become economic entities; however, procedures for bonus payment of party and government organs should apply to those which have not become economic entities. Organizations that issued cash rewards for saving party and government funds, and also paid bonuses, in accordance with the procedures for bonus payment of state-run enterprises in 1984, must retrieve the undeserved bonuses.

Bonus tax should be paid [by the enterprise] in accordance with regulations, if the total value of bonuses and allowances, in cash and kind, issued in 1984 exceeded 2 and 1/2 months' standard wages for the workers. Bonuses and allowances, in cash and kind, issued as a result of fraud, or under all sorts of pretexts, should be retrieved. If the violations are serious, the leading cadres should be held responsible, and sternly dealt with.

Party and government organs and departments are prohibited from issuing bonuses with funds transferred from state-run enterprises, nor are enterprises permitted to donate bonuses to leading organs and related departments. Organizations which violated this rule in 1984 should turn in the transferred funds and accepted bonuses to higher-level financial authorities.

5. On Drawing a Demarcation Line Between Rational and Unauthorized Price Increases

We should adhere to the price policies of the state, and consider changes in production costs and the market supply and demand situation, to properly raise the prices of certain industrial and agricultural products subject to state price control, and to decontrol prices of commodities set by enterprises, of farm and sideline products marketed to meet market demand. Such a price increase is not unscrupulous but is a normal, and reasonable, action conducive to economic development. The so-called unscrupulous price increase occurs when some departments, enterprises, and individuals take the opportunity of reform to increase the number of commodities for price increases, and enlarge the range of price increases at will, particularly to increase the prices of important industrial means of production, which are under state price control, and durable consumer goods in short supply, to grab exorbitant profits, and disturb the market, in disregard of the interests of the state and the masses, and in violation of price policies and regulations. It is necessary to stop and strictly correct unscrupulous price increases in violation of law and discipline, and impose economic, disciplinary, or legal punishment on the violators, according to the extent of their violations.

6. On Drawing a Demarcation Line Between Payment for Services and Bribery

A rational remuneration for a service rendered by one party from another, under a contract signed between them, to develop production in accordance with state provisions should be regarded as a payment for services. State functionaries are not permitted to take advantage of their financial and material disposition, tax, or loan-granting powers, or the power of industrial and commercial administrations to accept, or ask for, another's donation of money or materials when they help others conclude business deals. The money or commodities received in this way should be returned to the donors. Those involved in serious cases should be punished for taking or seeking bribes.

7. On Drawing Demarcation Line Between Necessary Entertainment During Economic and Business Operations and the Use of Public Funds To Give Gifts and Extravagant Banquets

Necessary entertainment is permissible, and denotes a courteous reception for experts and professors invited to give lectures, for engineers and technicians providing technical guidance, for foreign businessmen signing business contracts, and for personnel of other organizations, partners in economic or technological cooperation programs. Such a reception should be kept under strict control. The number of guests invited to help entertain the guest of honor should be kept to a minimum. Expenses should be reasonable, with the expenses for entertaining Chinese guests lower than those for entertaining foreign guests.

A certain amount of the plant director's (manager's) funds may be set aside for use as necessary entertainment funds for the enterprise, and be put at the disposal of the leading cadres of the enterprise. It must be reported to the higher-level department in charge for the record, and be used in accordance with strict spending procedures.

It is strictly prohibited to use the opportunity of visits, inspections, assessment of achievements, construction job examinations and acceptances, and experience-exchange meetings to spend public funds on gifts, expensive banquets, sight-seeing trips, and extravagance and waste. If the activities yield serious bad effects, the participants should be asked to pay for the economic losses and the leaders of the sponsoring units should be held accountable. Disciplinary actions should be taken, if the violation is serious.

8. On Drawing a Demarcation Line Between Unhealthy Practices and Economic Crimes

While the public security, procuratorial, and judicial organs should be asked to place serious economic criminal cases involving large amounts of money on file for investigation and prosecution, the following behavior should be regarded as economic crimes, not unhealthy practices: 1) state organs, enterprises or institutions practicing fraud to misappropriate state property, and using it privately under all sorts of pretexts; 2) state banks or credit loan organs using their power to embezzle state funds, in violation of banking management regulations, or using loans to enter into partnership with others, earn exorbitant interests, and divide those interests as private earnings, or as private earnings in disguised form; 3) state organs, enterprises, or institutions driving up prices, or reselling important industrial means of production and durable consumer goods in short supply for exorbitant profits, in violation of the regulations of the administration of industry and commerce; and 4) state organs, enterprises, and institutions buying or selling foreign exchange for profit, in violation of foreign exchange control regulations.

In the course of implementing the aforesaid trial opinions, party committees at all levels should particularly pay attention to educating party members and cadres in party spirit, ideals, and discipline, to strengthen their party spirit and their sense of organization and discipline. Such an education is a key to success in effectively stopping and correcting unhealthy practices. We should carry out thorough investigation and study of some specific policy problems, and properly handle them according to their characteristics and situation.

10 CITIES EASE CONTROL ON FOREIGN EXCHANGE

0W041351 Beijing XINHUA Domestic Service in Chinese 0851 GMT 4 Jun 85

[Text] Beijing, 4 Jun (XINHUA) -- The State Council has approved 10 cities, namely, Dalian, Qinhuangdao, Tianjin, Qingdao, Nanjing, Lianyungang, Hangzhou, Wuhan, Chengdu, and Xian, to allow residents with foreign currency deposits to draw foreign currency on a trial basis starting June.

According to the new regulation, depositors with foreign exchange remittances from outside the country [jing wai 1064 1120] will be allowed to remit their foreign exchange to places outside the country [jing wai] and be permitted to draw an appropriate amount of foreign currency; depositors with foreign currency brought into the country will be allowed to draw foreign currency but will need approval if they want to remit foreign currency to places outside the country; and depositors who exchange foreign currency for Renminbi will enjoy the same preferential treatment as when they present remittances from Overseas Chinese. Earlier, the Bank of China started the same practice on a trial basis in Guangdong, Fujian, Shanghai, and Beijing.

WANG ZHEN ADDRESSES YOUNG PIONEERS MEETING

OW040534 Beijing XINHUA Domestic Service in Chinese 1308 GMT 1 Jun 85

[Text] Beijing, 1 Jun (XINHUA) -- Comrade Wang Zhen's address at the meeting on the theme "We Are Successors to the Cause of Communism" among the capital's Young Pioneer members, 1 June 1985.

Dear little Young Pioneer friends: Today, you are merrily celebrating your own holiday and holding the Young Pioneers' meeting here on the theme "We Are Successors to the Cause of Communism." Manifesting the mental attitude of China's children in vigorously striving for progress, this meeting also makes this year's Children's Day more joyous and significant. On behalf of the party Central Committee and the State Council, I extend to you and the children throughout the country cordial greetings and festive congratulations!

Today, we are so very happy and gratified that all our little friends are full of vitality, lively, vigorous, and as lovely as budding flowers. We will not forget about the gardeners who have been cultivating these flowers. Loyal to the people's educational cause and disregarding difficulties and hardships, they have been working conscientiously and quietly, winning the people's respect and praise. On behalf of the party Central Committee and the State Council, I express the heartfelt gratitude and the highest respect to the teachers of middle and primary schools and kindergartens as well as the after-school instructors.

Little Young Pioneer friends, you are the future and hope of the motherland. Right now, your parents, big brothers, and sisters are working industriously, painstakingly, cooperatively, and wholeheartedly to attain the goal set by the party's 12th National Congress to quadruple the annual total industrial and agricultural output value by the end of this century. This is also creating an even better environment and conditions for your healthy growth. By the time this goal is realized, you will be entering the vigorous and fully promising period of youth. At that time, we will have to continue making progress and working for another 30 or 50 years to enable our country to approach the economic level of the world's developed countries. This task will have to be accomplished by you. You are the new force in the 21st century. Contributing your wisdom and efforts to the four modernizations at various work posts, you will also experience the joy over the success in the four modernizations. Your tasks will be extremely magnificent and your future boundlessly bright!

Little friends of the Young Pioneers, your responsibilities are heavy and the road ahead of you infinitely long. I hope that beginning at this moment, you will foster the firm idea of committing yourselves to the motherland and the noble ideal of communism; painstakingly learn scientific and cultural knowledge to lay a solid foundation for scaling scientific and cultural peaks in the future; cultivate your creative spirit and ability and the willpower to be industrious, steadfast, indomitable, and dauntless in order to achieve even more inventions, creations, and progress on the basis of your predecessors' achievements; and foster a firm sense of discipline and be models in observing discipline.

In short, I hope that you will orient yourselves to modernization, the world, and the future and strive to be persons of the new generation fostering ideals, adhering to moral principles, having a better educational background, and observing discipline. At the same time, I also hope that the whole party and all of society will attach greater importance to the work for children, show greater concern for the healthy growth of children, and do more things really well for children. In particular, comrades on the literary and art, propaganda, and publication fronts should create good works, films, and programs spurring children to make progress and increase their knowledge so that, together with the people's teachers, they will make conscientious efforts to offer greater contributions to cultivating a generation of new types of persons. I sincerely wish you, little friends, a happy holiday and healthy growth.

ZHANG AIPING PRAISES CHILDREN'S TRAVELING GROUP

HK040959 Beijing GUANGMING RIBAO in Chinese 26 May 85 p 2

[Article by Zhang Aiping: "Remember the 'Xinan Traveling Group' and Learn From It"]

[Excerpts] Editor's note: The Xinan traveling group was founded in October 1935. It was a children's organization under the leadership of the CPC formed in the KMT-controlled areas for doing propaganda on the war against Japanese aggression. When the national crisis and white terror reigned throughout China 50 years ago, a group of children of the Xinan primary school in Huai'an County, Jiangsu Province, which was established by people's educator Mr Tao Xingzhi, resolutely left their school and home to carry out propaganda in various parts of the country concerning the war against Japanese aggression, national salvation, and revolutionary truth, displaying a high degree of patriotism and the spirit of dedication despite hardship or sacrifice. Today, propagating their deeds still has practical significance. We recommend this article to young people throughout the country and to those who work with young people. [end editor's note]

This year is the 50th anniversary of the founding of the Xinan traveling group. Fifty years ago, a group of children left Huai'an County of Jiangsu Province to carry out propaganda in 22 provinces and cities throughout the country on the war against Japanese aggression, national salvation, and revolutionary truth. They traveled 50,000 li and did a great deal of effective work for victory in the war against Japanese aggression and the liberation war. Today, while commemorating the 50th anniversary of the founding of the Xinan Traveling Group, it is a matter of great significance to use their deeds to give the vast number of juveniles education in patriotism and revolutionary aspirations.

The Xinan Traveling Group was founded in October 1935. It was a children's organization under the leadership of the CPC formed in the KMT-controlled areas for conducting propaganda on the war against Japanese aggression.

Fifty years ago our country was at a critical juncture of national extinction. Guided by Comrade Wang Dazhi, teacher of the Xinan Primary School, and in answer to the CPC's call for waging the war against Japanese aggression and for national salvation, a group of children of the Xinan primary school of Huai'an County, Jiangsu Province, which was established by the great people's educator Mr Tao Xingzhi, formed the Xinan traveling group under the leadership of the Shanghai CPC Branch of the Federation of Leftist Teachers.

Breaking through political oppression of the KMT reactionaries, they resolutely left their school to carry out propaganda in various parts of the country on the war against Japanese aggression and national salvation, despite the exceedingly difficult situation in which they did not even have enough food to eat. They made contributions to waging and winning the war against Japanese aggression.

The Xian traveling group lasted for 17 years. This was the period in which the CPC led the Chinese people to great victory through protracted and arduous struggle. Comrades of the Xian traveling group spent their childhood and youth amid revolutionary storms. Fifty years have passed like running water. Today, what should youth in the socialist era learn from the Xian traveling group?

1. Like the group, they should love the motherland and have the spirit of dedication.
2. Like the group, they should have high aspirations, should not fear hardship, and should do their work by themselves.
3. Like the group, they should study hard, have noble morality, and strive to train themselves into persons who have both ability and political integrity.

Leaders Mark Group's Anniversary

OW050408 Beijing XINHUA Domestic Service in Chinese 1503 GMT 2 Jun 85

[By correspondent Ling Yingmei and reporter Huang Zhimin]

[Excerpts] Beijing, 2 Jun (XINHUA) -- Comrades Chen Pixian, Zhang Jingfu, Zhang Aiping, and Zhang Yun happily gathered with the representatives of Beijing children to mark the 50th anniversary of the Xian traveling group today.

The commemoration meeting was held in the Yingju Hall of the Chinese Children's Center and presided over by Beijing Vice Mayor Chen Haosu. During the meeting, old, middle-aged, and young cadres had a heart-to-heart talk with the children. Zhang Aiping, Liu Jiping, Zhou Weizhi, and Liu Yandong successively talked about their feelings at the meeting. Hu Qiaomu, member of the Political Bureau of the CPC Central Committee, wrote an inscription to mark the 50th anniversary of the Xian traveling group. Huang Kecheng and Hu Yuzhi also wrote inscriptions. Deng Yingchao and Kang Keqing were very much interested in the commemoration.

DENG LIQUN ON ECONOMIC, EDUCATION REFORMS

HK050131 Chengdu Sichuan Provincial Service in Mandarin 0030 GMT 5 Jun 85

[Text] Yesterday morning Deng Liqun, member of the CPC Central Committee Secretariat and director of the CPC Central Committee Propaganda Department, listened to reports from responsible persons of departments concerned in Chongqing on the situation regarding ideological understanding and theory in reform of the urban economic structure, and on the existing problems. Deng Liqun said: The problems that have currently appeared in reform are inevitable. We must be unwavering in carrying out reform. By reforming and studying simultaneously, we will be able to do a still better job in reform.

After listening to the reports, Deng Liqun said: The reform of the urban economic structure involves very broad fields. It is much more complex than the structural reform in the rural areas. The problems that appear in reform are inevitable. However, as long as we persistently conduct study and reform in the course of practice, do not leave things half finished, and strengthen out our faith in reform, we will certainly be able to successfully follow the path of reform.

On the previous afternoon, Deng Liqun summoned some responsible persons of institutes of higher education in the Chongqing area to a meeting in the Southwest Normal College. He pointed out: You must develop your initiative and creativity in accordance with the orientation pointed out by the Central Committee's decision on reform of the educational structure. You must do practical things one at a time, in a thoroughly sound way. Every college and institute must carry out a study and shoulder its tasks in light of the scope of the decision and of its own circumstances.

COUNTRY'S FIRST HYDROGEOLOGICAL CENTER OPEN

OW031009 Beijing XINHUA in English 0838 GMT 3 Jun 85

[Text] Beijing, June 3 (XINHUA) -- China's first modernized hydrogeological research center is functioning well since its completion in the Hebei provincial capital of Shijiazhuang a month ago, said an official at the center here today.

Lu Jinkai, deputy head of the project, said the center was jointly funded by China's Hydrogeological Engineering Research Institute and the United Nations Development Program -- a total investment of 11 million U.S. dollars. The center, equipped with the latest technology, has been set up to further the survey of the groundwater resources of the 310,000 sq km Huanghai Sea and Huihai Sea plain, he added.

Lu said this area is one of China's major grain producers but suffers "nine droughts in every 10 years." With a staff of 50, the center is surveying the groundwater resources in order to alleviate this problem.

WAN LI, OTHER LEADERS VISIT TECHNOLOGY FAIR

OW310820 Beijing XINHUA Domestic Service in Chinese 1643 GMT 25 May 85

[Text] Beijing, 29 May (XINHUA) -- In the past few days, Wan Li, vice premier of the State Council, and other leading comrades successively visited the first national technological achievements trade fair here. They viewed with great interest the samples of technological achievements displayed in the booth of each trade delegation and encouraged them to actively sell their commodities.

While visiting the fair yesterday, Wan Li saw a white brick made of coal ash by the China New Technology Development Company. Taking up the brick and weighing it in his hand, he said that it was pretty light. Personnel at the fair briefed him, saying: It is not only very light but very strong as well. Upon hearing this, Wan Li turned around and said to responsible comrades of Beijing Municipality accompanying him on the visit: If some of your units want to build more stories on high-rise buildings, this is a very good building material. Leading comrades who visited the trade fair included Li Desheng, Hu Qiaomu, Qin Jiwei, Gu Mu, Wang Ping, Xiao Ke, Hu Yuzhi, Liao Hansheng, Han Xianchu, Song Ping, Hong Xuezhi, Hu Ziang, Lu Zhengcao, Zhou Peiyuan, Miao Yuntai, and Hua Luogeng.

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JIANGSU HOLDS MEETING ON PARTY RECTIFICATION

OW041954 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 31 May 85

[Excerpts] The Jiangsu Provincial CPC Committee held a meeting of responsible persons in charge of party rectification work of a number of provincial-level organizations on the afternoon of 31 May to examine and exchange experience in carrying out party rectification by the first group of units in the second stage of party rectification. The meeting called for further strengthening leadership and carrying out party rectification in a solid manner.

Responsible comrades of party committees of the Jiangsu Provincial Petroleum Exploration and Development Corporation, the provincial Labor Reform Bureau, the Yizheng Chemical Fiber Company, and the provincial Cancer Prevention and Treatment Research Institute spoke at the meeting.

Comrade Shen Daren, deputy secretary of the Jiangsu Provincial CPC Committee and responsible comrades of the Office for Party Rectification of the Jiangsu Provincial CPC Committee, including Luo Yunlai, Xing Bai, and (Ye Quchang), attended the meeting.

In his speech, Comrade Shen Daren reviewed the situation of party rectification in the earlier period. He held that the work was carried out in a stable and proper manner, the development was healthy, and initial success was achieved.

Comrade Shen Daren said: Comrade Hu Yaobang recently called on leading cadres at various levels to speak fewer empty words and do more practical things in a solid manner, refrain from practicing formalism and paying lip service, and stop assuming great airs. In carrying out party rectification, we should also implement this guideline.

He stressed that we must closely integrate party rectification with the reform, and have party rectification serve the reform work and economic development. This is a very important guiding principle in second-stage party rectification.

He said: We should eliminate obstacles to and interference in the reform work through party rectification. We should create a favorable political condition and social environment so as to promote and ensure the healthy development of the reform work.

He said: We should soberly see that eliminating and correcting the new unhealthy tendencies is an arduous task.

He pointed out: We should deepen education on totally negating the Cultural Revolution and firmly grasp the work of ferreting out the three kinds of people.

BAI DONGCAI AT JIANGXI CHILDREN'S DAY GATHERING

OW041251 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 31 May 85

[Excerpts] Over 1,000 young people, counselors of Young Pioneers, and Jiangxi and Nanchang youth workers met at a get-together at the Jiangxi art theater this morning to mark the 1 June International Children's Day.

Invited to attend the get-together were party, government, and military leaders of Jiangxi and Nanchang, including Bai Dongcai, Xu Qin, Zhou Zhengyi, Ni Xian, Wan Shaofen, Di Sheng, Wang Tie, Ma Jikong, Liu Bin, Wu Ping, (Shen Zhongxiang), (Li Aisun), (Chen Andong), and others.

Speaking on behalf of the Jiangxi Provincial CPC Committee, Xu Qin, secretary of the provincial party committee, extended greetings to the children and his cordial regards to all youth workers for their hard work.

On behalf of the provincial women's federation, Wan Shaofen, member of the Standing Committee of the Jiangxi provincial party committee and chairman of the provincial youth work coordination committee, presented gifts to the children. On behalf of Kang Keqing, chairman of the Soong Ching Ling Foundation, she also presented 15 electronic organs to the children of the old soviet areas.

ZHEJIANG GOVERNOR STRESSES KNOWLEDGE FLOW

OW030409 Beijing XINHUA Domestic Service in Chinese 0055 GMT 28 May 85

[By reporter Ji Jingru]

[Text] Hangzhou, 28 May (XINHUA) -- How can a person's talent be fully brought into play and how can his talent be used to the fullest? Zhejiang Governor Xue Ju recently pointed out: In order to reach the goal of bringing into full play a person's talent and applying his talent to the fullest, it is necessary to extensively promote the flow of knowledge in various forms while continuing to promote the reasonable flow of talent.

Xue Ju gave this opinion in light of new circumstances and questions appearing in the current work of promoting the talent flow.

Despite the fact that the departments concerned of Zhejiang Province have done much of work to promote the reasonable flow of talent in recent years, the system of departmental ownership of talent is far from being broken, and many scientific and technological personnel who should be transferred have still not been duly transferred. There is an even more widespread phenomenon: It is very difficult for collectively owned enterprises and town and village enterprises which are severely short of talent, especially those in remote hilly areas and on islands, to invite talent to work there; and there are still a certain number of specialized personnel who are able to do more after having completed their own work, but if they are transferred to other units, the work of their own units will therefore suffer.

In the face of these new circumstances and questions, Xue Ju said: While continuing to promote the reasonable flow of talent, it is necessary to extensively promote the flow of knowledge. It is advisable for those units with difficulty transferring talent to use all forms of flow of knowledge, such as temporarily transferring talent within a set period, holding concurrent jobs in one's spare time, training talent for other units, transferring scientific and technological results, contracting scientific research projects, and providing technical counseling.

These opinions given by Xue Ju became the guiding ideology of the recent Zhejiang Provincial and Hangzhou City talent exchange conference. The flow of knowledge at the conference seemed especially lively because the conference emphasized the combination of talent exchange and knowledge flow. Registered at the conference were 91 scientific and technological personnel who expressed their willingness to hold concurrent jobs in their spare time. A great majority of them were medium- and high-level specialized personnel such as engineers, accountants, and university lecturers.

Their specialities included business management, finance and accounting, microbial fermentation, foodstuffs, silk knitting technique, civil engineering project design, gardening, and aquaculture. All of them were using talent exchange centers as intermediaries, and some of them had already found hiring units at the talent exchange conference.

Some remote counties, hilly areas, islands, and collectively owned enterprises as well as town and village enterprises which previously were often ignored at talent exchange conferences received attention from various quarters. The conference provided them with urgently needed knowledge and technology by every possible means. Some 325 people bid on their 134 scientific research projects and technological difficulties at the conference.

GOVERNOR REPORTS ON ZHEJIANG ECONOMIC SITUATION

OW011427 Hangzhou ZHEJIANG RIBAO in Chinese 22 May 85 p 1

[Text] Governor Xue Ju delivered a report on Zhejiang's current economic situation at the enlarged 13th meeting of the Standing Committee of the 6th provincial People's Congress on 21 May.

Comrade Xue Ju said: Stimulated by reforms and opening to the outside world, the current economic situation in our province is very good. The province's economy maintained a sustained growth through all of 1984 and in the first 4 months of this year.

The revenue situation is also good. In this excellent situation, we must never allow ourselves to be blinded by self-complacency. We must remain clear headed and strive to maintain an appropriate economic growth rate, while paying attention to good economic results. We must refrain from seeking only growth rate.

Comrade Xue Ju stressed: We must have a unified understanding of the current economic reform, to maintain the sustained, stable, and coordinated development of our province's economy.

Comrade Xue Ju also briefed the People's Congress deputies on the situation in price reform throughout the province, and the implementation of the policy of opening to the outside world by Ningbo, Wenzhou, and other cities.

Yesterday's plenary meeting was presided over by Vice Chairman Xing Zitao. Chairman Li Fengping, Vice Chairmen Chen Anyu, Liu Dan, Liu Zizheng, Shang Jingcai, Wu Chichuan, Wang Qidong, and Yu Jiyi attended the meeting.

GUANGXI CPC ORGANIZES GUILIN DISASTER RELIEF

HK041219 Nanning Guangxi Regional Service in Mandarin 1130 GMT 2 Jun 85

[Text] On 26 and 27 May, Xingan, Guanyang, and Quanzhou Counties in Guilin Prefecture experienced continuous, extraordinarily torrential rain. The water level on the upper reaches of the Xiang Jiang and on the main tributaries, including the Haiyang He, (Wanxiang) He, and Guan Jiang, rose sharply. This is the biggest flood in the localities since 1908, washing out and inundating some 200,000 mu of farmland. Some villages and towns were flooded, houses collapsed, and people and livestock were injured or killed. The disaster situation was serious.

On receiving the report on the disaster situation, the regional CPC Committee and the regional people's government immediately summoned leaders of departments concerned at the regional level to an urgent meeting to study the situation. On 28 May at noon they sent an emergency and disaster relief work group, which, led by (Liang Hongyun), adviser to the regional people's government and leaders of departments and bureaus concerned, were divided into five subgroups. Together with leaders of Guilin Prefecture and Guilin City, they went to the stricken counties to express sympathy and solicitude for the victims, rushed to deal with the emergency, and engaged in disaster relief work.

On the very day the disaster occurred, Wei Chunshu, deputy secretary of the regional CPC Committee and chairman of the regional people's government, who was working in Guilin City, made a phone call to the stricken counties the same night to understand the disaster situation and to make arrangements for rushing to deal with the emergency and doing disaster relief work. He also immediately contacted PLA units stationed in the locality, demanding that they move as soon as possible to safe places the masses pinned down by the flood, make good arrangements for the victims, and maintain good social order.

When the disaster relief work group went to each place, it examined the situation and expressed sympathy and solicitude for the victims. It also studied with the cadres and the masses in the locality measures for making arrangements for the restoring production.

To make good arrangements for production and livelihood in the stricken areas, the regional people's government and the grain, civil affairs, and commercial departments at all levels have appropriated a large amount of special funds and special materials to help the masses in the stricken areas repair their houses and resolve their difficulties in food, clothing, and production.

At present the masses in the stricken areas have been reassured and disaster relief work is vigorously progressing.

GUANGXI CIRCULAR ON EDUCATIONAL REFORM DECISION

HK041147 Nanning Guangxi Regional Service in Mandarin 1130 GMT 3 Jun 85

[Circular of the Guangxi Regional CPC Committee on seriously studying the decision of the CPC Central Committee on reform of the educational structure]

[Text] The decision of the CPC Central Committee on reform of the educational structure is another historic document, along with its decisions on reform of the economic structure and of the scientific and technological structure. This document penetratingly analyzes the present state of educational work of our country and the main existing problems; clearly puts forward the aim, tasks, contents, method, principles, and policies of carrying out reform of the educational structure; and is a program for guiding reform of the educational structure and future educational work.

Its promulgation and enforcement is of great and profound significance for advancing development of the educational cause in our country, enhancing the scientific and cultural level of the Chinese nation, and speeding up socialist modernization. The circular is therefore issued as follows:

1. CPC Committees at all levels must organize party members and cadres, particularly educational workers, to seriously study the decision of the CPC Central Committee on reform of the educational structure so that they can profoundly understand its spirit and essence. It is necessary to link the study of this decision of the central authorities with the study of the important speeches of leading comrades of the central authorities at the national conference on educational work. In the course of study, leading cadres must play a leading role.

The 12th national party congress regarded education as an important strategic point in developing the national economy. In his speech at the national conference on educational work, Comrade Deng Xiaoping pointed out sharply: If a place or a department grasps only the economy and does not grasp education, the focal point of work there is not shifted well or is shifted incompletely. Leaders who disregard education are leaders who lack foresight and are immature, and they cannot direct modernization.

Leading cadres at all levels must seriously understand the profound implications of Comrade Deng Xiaoping's speech. They must not indulge in idle talk, must do more practical work, must really include educational work on the important agenda, and must do well in grasping educational work as they grasp economic construction, so as to make the educational cause and economic construction develop in a coordinated way. Through powerful ideological and political work, it is essential to create an excellent atmosphere of respecting knowledge; qualified personnel, and education in the whole party and the whole society.

2. While studying and understanding the spirit of the decision of the central authorities, we must seriously grasp well its implementation. The regional CPC Committee has decided: A regional conference on educational work will be held in September this year to formulate the policy, plan, and measures for implementing the decision. In accordance with the tasks put forward by the decision, CPC committees and governments at all levels must firmly grasp the main problems, must organize forces to conduct investigations and study, and, proceeding from realities, must put forward a specific plan for developing and reforming education, and must work out feasible measures. Some problems that should and can be solved must be solved immediately.

3. Reform of the education structure is not only the work of education departments and schools but also a major task of the whole party and society. All departments, professions, and trades must attach great importance to, must actively show concern for, and must vigorously support it. Under the unified leadership of the CPC Central Committee, we must unite as one, work with one heart and one mind, and work hard and render meritorious service to change the backward state of education and to develop the socialist educational cause with Chinese characteristics in our region.

HENAN CPPCC CONCLUDES WITH NEW LEADERS ELECTED

HK050057 Zhengzhou Henan Provincial Service in Mandarin 1400 GMT 4 Jun 85

[Excerpts] The Third Session of the Fifth Henan Provincial CPPCC victoriously concluded in the provincial people's hall this afternoon.

Present were responsible comrades of the party, government, and Army in the province Yang Xizong, Liu Zhengwei, He Zhukang, Zhao Di, Zhao Wenfu, Han Jingcao, Zhang Shude, Guo Peijun, Fan Lian, Hu Tingji, and Tao Zhizhong. Provincial CPPCC Chairman Wang Huayun presided.

In accordance with the central authorities' decision regarding the age of leading cadres, CPPCC Chairman Wang Huayun and Vice Chairmen Zhang Baiyuan and Li Fuxiang proposed to the session that they should resign from their posts. After discussion, the session agreed to this request. An election was then held. Song Yuxi was elected chairman of the provincial CPPCC. Yan Jimin, Cui Guanghua, Ren Leiyuan, and (Tu Jiabi) were elected vice chairmen. Gao Wei was elected secretary general.

In conclusion the session passed its political resolution, and its resolutions on the work report of the Standing Committee and on the examination of motions.

HENAN LEADERS VISIT PEOPLE'S CONGRESS DEPUTIES

HK020119 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 1 Jun 85

[Excerpt] On the afternoon of 31 May, provincial CPC Committee leaders Yang Xizong, Liu Zhengwei, He Zhukang, and Zhao Di, and Secretary General (Zhang Zhigang) traveled to various locations in Zhengzhou to meet the delegates attending the third session of the sixth provincial People's Congress. They met all the discussion groups of the 18 delegations, shook hands with the deputies, and extended regards and chatted with them.

HUBEI CONFERENCE ON AUDIO, VIDEO PRODUCT CONTROL

HK041105 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 2 Jun 85

[Text] The provincial conference on control over audio and video products was held in Wuhan 30 May-1 June. This conference was chaired and convened by the provincial Broadcasting and Television Department. The directors of all prefectural, city, and autonomous prefectural and some county broadcasting and television bureaus and television stations attended. The provincial Discipline Inspection Committee, the Hubei Military District, the provincial Federation of Trade Unions, the Public Security Department, the Education Department, the Industrial and Commercial Administrative Bureau, the Wuhan Customs, and large units, including the Wuhan Iron and Steel Company, No 1 Company of Metallurgical Industry, No 2 Motor Vehicle Manufacturing Plant, Puqi Textile Corporation, Gezhouba Project Bureau, Changjiang Shipping Bureau, and the Wuhan Railroad Subbureau, also sent representatives to attend this conference.

At the conference the spirit of the national conference on control over audio and video products and importing television films and Comrade Deng Liqun's speech was conveyed and the relevant documents of the State Council and the provincial government were studied. From the plane of building a socialist spiritual civilization, the comrades present at the conference came to understand the importance of strengthening the management over audio and video products. They adhered to the spirit of joint control and studied the specific method and measures to investigate pornographic videotapes; to strengthen the management over audio and video products; and to examine, publish, and distribute them in a unified way.

On the morning of 1 June Comrade Qian Yunlu, deputy secretary of the provincial CPC Committee, attended the conference and spoke. Comrade Qian Yunlu said: The situation in broadcast and television work, including audio and video products, in our province is very good and has developed very quickly. Television has entered many households. Listening to broadcasts and watching television programs has gradually become a necessity in the masses' life. Over the past 1 or 2 years videotape-showing teams throughout the province have grown to over 3,000 in number and have played a certain role in enlivening the masses' cultural life. These are the main current and must be fully affirmed.

While dealing with problems existing in control over audio and video products, Comrade Qian Yunlu said: Last winter and this spring, some pornographic videotapes flowed into our province. Once these problems were discovered, CPC committees and governments at all levels paid great attention to them. They immediately organized broadcasting, television, public security, industrial, and commercial departments to take measures to investigate and confiscate them and did a great deal of work. At present the indiscriminate showing of obscene videotapes has been basically curbed.

Moreover, all places have also paid attention to grasping policies, drawn a clear demarcation line, resolutely confiscated those which should be confiscated, and allowed the showing of those that are healthy and harmless. They have not demanded uniformity in everything. Now we must continue to strengthen control over audio and video products. In the new situation in reform, opening, and invigorating, we must persist in building a socialist spiritual civilization.

We must both break with the state of closing our country to international intercourse and accept some advanced foreign things and adhere to the socialist orientation and resist corruption by capitalist ideology. We must resolutely, completely, and thoroughly investigate, confiscate, and destroy all obscene videotapes that corrupt people's souls, poison youth and juveniles, lead people to commit crimes, and do great harm and that must be resolutely investigated and prohibited. Apart from controlling audio and video products, the broadcasting and television departments must be responsible; and in coordination with the public security, industrial, commercial, and other departments, must strictly prohibit obscene videotapes and do well in controlling audio and video products.

In his speech Comrade Qian Yunlu emphasized: While strengthening control, we must use our main energy to solve the problem of the supply of films to satisfy the needs of the masses' spiritual and cultural life. Comrade Qian Yunlu said: We must see that our broadcasting, television, and video programs are far from meeting the needs of the masses. When we talk about control, we must control bad things. We must not control all things but must control things well.

Broadcasting and television departments must vigorously enhance their ability to produce programs and must produce literature, art, special subjects, broadcasting, television, and video programs whose contents are healthy and style and artistic level is high. Now we must solve the problems of sources of video programs for showing. We must provide the showing teams with rich, varied, healthy, and useful videotapes so that the masses can have entertainment, increase their knowledge, and receive an education after work so that their increasing needs for cultural life in many aspects can be satisfied. CPC committees and governments at all levels must strengthen leadership over broadcasting and television work and give full play to the powerful role of broadcasting and television in building the two civilizations.

Comrade Zhou Daren, deputy director of the Propaganda Department of the provincial CPC Committee, also attended the conference and spoke.

XIZANG MILITARY DISTRICT CONTINUES RECTIFICATION

HK040925 Lhasa Xizang Regional Service in Mandarin 1130 GMT 3 Jun 85

[Text] The organs of the Xizang Military District Logistics Department have firmly grasped comparison and examination work in the course of party rectification.

They began carrying out party rectification in December last year. After earnest study for more than 5 months, they have now moved to the comparison and examination phase.

In order to properly carry out party rectification in all organs of the Logistics Department, the CPC Committee of the Logistics Department first examined their own malpractices and then worked with party members to help them remove various ideological worries in their respective ideological views and according to the spirit of the central documents on party rectification. These included the worries of being hit hard by others, being unjustly labelled by others, and [words indistinct] so that all party members can conscientiously carry out criticism and self-criticism and examine their own mistakes with a truth-seeking attitude.

Party members in the barracks section of the Logistics Department who have taken part in party rectification have strictly measured themselves against the eight requirements of party members. Some party members said that they once had some confused ideas about the party's current policies, and some disclosed their own malpractices of doing private things and recklessly establishing connections by taking advantage of their jobs.

As a result of the meticulous work done by the CPC Committee of the Logistics Department in conducting comparison and examination, all party members in the department have strengthened their confidence in the party's line, principles, and policies.

VEGETABLE BAZAAR IN YUNNAN TRANSFORMS OPERATIONS

HK041523 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 3 Jun 85

[Text] Following the opening of sale and purchase prices of vegetables, the (Baoshun) Street vegetable bazaar in Kunming has improved the method of purchasing and selling vegetables and has actively taken part in market regulation, resulting in a booming ... lively vegetable business.

The (Baoshun) Street vegetable bazaar is fairly large in Kunming, supplying vegetables to about 10,000 local residents. Over a long period it adopted the policy of the peasants growing vegetables and the vegetable company purchasing and marketing vegetables in a unified manner. Along with implementing the system of contracted responsibilities with payment linked to output in recent years, the old methods are no longer applicable. Peasants now sell good and early vegetables in the market themselves and sell unmarketable vegetables to vegetable companies. Consequently, the vegetables supplied by the vegetable bazaar are fewer in variety and are inferior. The masses are unwilling to buy vegetables from the bazaar, and the bazaar thus has suffered losses.

Under this situation, should the vegetable bazaar change to other lines or keep on developing the vegetable business? With the help of relevant departments at higher levels, they have realized that after the opening of sale and purchase prices of vegetables, state-run vegetable bazaars should mainly engage in the vegetable business, actively take part in market regulation, and curb vegetable prices.

The previous practice that state-run vegetable bazaars did a monopoly business and sold whatever peasants offered no longer meets the requirements of the current situation. They must go out, open all avenues for gaining supplies of vegetables, increase varieties, and improve service so that they can be in an invincible position to compete.

After deepening their understanding, the comrades in charge of the sources of vegetables went to (Shuanglongqiao), (Tongzhixiang), (Guangdu), and (Chenggong) early every morning to purchase vegetables and changed the previous practice of waiting for them. The vegetables they purchase in this way are fresh and marketable, and the varieties have increased from 6 to 7 in the past to 20 to 30 at present.

The masses like buying their vegetables now. In order to provide a convenience for the masses in buying vegetables, the vegetable bazaar has set up more sales locations and sells vegetables in a mobile way. They have also adopted the method of selling vegetables in a mobile way. They have also adopted the method of selling vegetables to collective units by taking orders. In the past there were 50 units that supplied vegetables to the bazaar, but now there are over 100. Its daily sales volume has increased from about 1,800 yuan to more than 2,700 yuan, thus changing losses into profits.

Yunnan Commentary

HK041525 Kunming Yunnan Provincial Service in Mandarin 1100 GMT 3 Jun 85

[Station short commentary: "Vegetable Retail Shops Must Mainly Engage in the Vegetable Business"]

[Text] What business should state-run vegetable retail shops mainly engage in following the opening of vegetable prices? The (Boshun) Street vegetable bazaar has given the correct answer, that is, they should continue engaging in the vegetable business, actively take part in market regulation, and curb prices. But some vegetable retail shops have failed to do so.

It has been learned that of all the retail shops under the Kunming City Vegetable Supply Company, only 30 percent still engage in the vegetable business, 40 percent engage in the vegetable business as well as other trades, and 30 percent have now changed to other lines. Some of them have now set up restaurants to sell rice noodles; some are even selling merchandise and furniture.

Vegetable retail shops are allowed to engage in other trades on the premise of fulfilling their own tasks. But if they engage only in profit-making trades and set aside their own tasks, then they run counter to the fundamental aim that socialist commerce should serve the people. The main reason for this lies in their ideological understanding.

Some staff members and workers of vegetable companies now believe that after opening up the vegetable markets, there have emerged direct links between production and marketing departments, so that vegetable companies will have less to do.

Some even think that they can say goodbye to dirty and rotten vegetables forever. This is a misunderstanding of the policy on opening up the vegetable markets. After opening up vegetable prices, state-run vegetable retail shops must neither be abolished nor be changed to other trades.

It should be made known that it is due to the existence of economically powerful state-run enterprises that we have dared to open the sale and purchase prices of vegetables. If all state-run retail shops change to other trades and do not engage in the vegetable business after opening the sale and purchase prices of vegetables, it will be difficult for the state to control vegetable prices, vegetable prices will run wild, and the interests of the masses cannot be protected.

This is not our aim in carrying out reforms. Therefore, after opening up vegetable prices, state-run vegetable retail shops will have many things to do and will be charged with heavy tasks.

First, they must bring into play their role as the main channel; actively engage in the vegetable business by taking advantage of their superiorities in personnel, technology, and locations; take part in market regulation; and curb prices.

Second, they must do a good job in timely market forecasting to provide information to producers, operators, and consumers; properly carry out preproduction and postproduction service work in vegetable production; and arrange the supply of vegetable seeds, chemical fertilizers, pesticides, and technological consultation services in the distribution, sales and marketing, stocking and processing of vegetables so that the vegetable markets can become more and more plentiful and vegetable peasants and customers will become more satisfied.

Some other comrades believe that since we now pay attention to economic efficiency in everything and that engaging in the vegetable business means losing money, we have no alternative but to change to other trades. This is not the fact. The practice of the (Baoshun) Street vegetable bazaar has proved this. The essential thing is that vegetable bazaars must properly carry out business management and take an active part in market regulation. By doing so, the problem of losing money will certainly be solved.

NET MONGGOI'S BU HE SPEAKS ON TOWNSHIP ENTERPRISES

SK030242 Hohhot Nei Mongol Regional Service in Mandarin 1100 GMT 2 Jun 85

[Text] While inspecting urban and rural areas in Hohhot City recently, Bu He, deputy secretary of the regional CPC Committee and chairman of the regional government, set forth important suggestions on developing township- and town-run enterprises.

He said: Our region should accelerate the pace of the development of township- and town-run enterprises, and urban areas should support the development of these enterprises. Large and medium-sized enterprises in urban areas may transfer the production of some products to township- and town-run enterprises. Large and medium-sized enterprises in urban areas are allowed to sell fixed assets that are not suitable to them to township- and town-run enterprises on a preferential basis. Urban areas are encouraged to adopt various means to create favorable conditions for supporting the development of township- and town-run enterprises.

After conducting investigations and studies on some state, collective, township, and town enterprises in Hohhot, Comrade Bu He set forth the above-mentioned suggestions. He pointed out that we should have strategic points of view to develop township- and town-run enterprises.

First, we should develop the township- and town-run enterprises in line with actual local conditions and natural resources. These enterprises are allowed to determine the way of using local materials for processing and marketing their products on the spot, to determine the way of relying on urban areas to conduct cooperation, and to play their role as markets to comprehensively open to outside places.

Second, we should take a macroeconomic point of view to make short- and long-term plans for developing township- and town-run enterprises.

Third, we should firmly attend to technological transformation and talents training, grasp market information, and improve the quality of the enterprises.

Comrade Bu He said: Township- and town-run enterprises should run many small plants with strong flexibility. With regard to the structure of products, these enterprises should consider the people's living consumption as well as the demands of production. At present, considering the agricultural and livestock production restructure and the urban economic restructure, these enterprises should concentrate their stress of production on agricultural and sideline products processing, feed processing, and the production of building materials and energy resources. With regard to management and operation, these enterprises are allowed to take various economic forms and should pay special attention to conduct economic cooperation with advanced large and medium-sized enterprises in different areas to vigorously import funds, technology, and equipment and bring in talented personnel from other places.

Comrade Bu He also pointed out: Township- and town-run enterprises should pay attention to accumulation of funds and ceaselessly expand the scale of reconstruction. At the same time, these enterprises should work out a good retirement system to reduce the workers' fear of disturbance in the rear.

NET MONGGOL HOLDS PARTY REFORM PROPAGANDA MEETING

SK030225 Hohhot Nei Mongol Regional Service in Mandarin 2300 GMT 1 Jun 85

[Text] On 30 May, the autonomous regional office in charge of party rectification work held a meeting of the journalist propaganda units to study the measure for enhancing the propaganda work in the second-stage party rectification.

The meeting relayed several opinions offered by the regional office in charge of party rectification work with regard to enhancing the propaganda work in the second-stage party rectification. The meeting pointed out that, in line with the demands set forth by the Central Commission for Guiding Party Rectification and the autonomous regional CPC Committee with regard to conducting the second-stage party rectification work, efforts should be made to vigorously publicize the importance of every unit that should adopt various ways and means to conduct education on party spirit and on having ideals and abiding by discipline and to publicize the methods and experience gained in this education.

It is necessary to publicize the importance of blocking the newly developed mal-practices and to pay attention to grasping typical cases and upholding the dissemination of their typical experience. On the premise of the whole situation of unity, construction, and transformation, efforts should be made to conduct propaganda work on enhancing the party rectification drive to promote unity and transformation and to report the methods and experience gained in straightening out the guiding ideology of professional work, conducting reforms while launching the party rectification drive, and in creating a new situation in professional work. It is necessary to report the methods and experience gained in boldly improving managerial systems, in line with the reality and step by step, actively achieving realistic development of township- and town-run enterprises, and in further enlivening the economy in both urban and rural areas.

Efforts should be made to report the typical cases of vigorously conducting education on totally negating the Cultural Revolution and on successfully achieving unity among cadres, various nationalities, leading bodies, and party members. Efforts should also be made to enhance the propaganda work on guiding the party rectification drive and to publicize in a timely manner the typical experience that has guiding significance. In addition, attention should be paid to conducting propaganda education on the excellent situation. While successfully reporting the typical cases, we should also enhance the propaganda work on public opinions.

These opinions offered by the regional office in charge of the party rectification drive with regard to enhancing the propaganda work in the second-stage party rectification also urge the party organizations at all levels to adopt various ways and means to help the journalist units made a success in this regard.

At the meeting, responsible persons of the regional office in charge of the party rectification drive delivered reports on the development of the second-stage party rectification work throughout the region.

LI LIAN ON CIVILIZED TOWNS IN HEILONGJIANG

SK040211 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 3 Jun 85

[Text] Li Lian, secretary of the provincial CPC Committee, wrote an investigation report in early May after conducting investigations on the construction of civilized villages and towns in Bayan, Mulan, Heibe, and Fangzheng Counties. He pointed out in the report: In the construction of civilized villages and towns throughout the province, we should pay attention to the relationship of the following four fields:

First, we should persistently take the communist ideas as guidance and correctly handle the relationship between ideological construction and the construction of other fields. In the construction of civilized villages and towns, we should emphasize ideological construction as well as the construction of morality, common practices, the legal system, education, culture, public welfare facilities, and environment. Ideological construction should be placed first.

Second, we should adhere to the principle of walking on two legs and correctly handle the relationship between building new villages and towns and renovating old ones. Proceeding from the reality of each specific locality, most villages and towns should place emphasis on renovating old villages at present and map out plans for building new ones.

Third, we should proceed from reality in doing everything and do things according to our capacity, and correctly handle the relationship between necessity and possibility. During this investigation tour, many units reported a lack of funds in building civilized villages and towns. This requires us to work out plans for developing civilized villages and towns on the basis of our current economic foundation and the necessities of development. We should never start a project without forethought and with disregard for actual conditions and our financial capacity, and without considering whether we have the necessary conditions.

Fourth, we should consolidate and develop the achievements in building civilized villages and towns and correctly handle the relationship between construction and management. We should resolutely overcome the tendency of attending to construction without paying attention to management and separating construction from management, and should connect construction with management so that the construction of civilized villages and towns can be carried out in a coordinated and down-to-earth manner.

At the end of the report, Li Lian pointed out: Facts of Bayan and three other counties in building civilized villages and towns prove that construction of civilized villages and towns is an important aspect of building characteristically new Chinese socialist modern rural areas. As the output-related contract system areas, the activity of building civilized villages and towns enables us to find a good way to develop rural productive forces and build the material civilization in rural towns has enabled us to find a good way to build the socialist spiritual civilization and realize the purpose of promoting the two civilizations simultaneously.

AN ZHENDONG ON REFORMS IN HEILONGJIANG TRANSPORT

SK030742 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 2 Jun 85

[Text] In a speech delivered at the provincial work conference held on the morning of 1 June on improving the structure of communications and transportation, An Zhendong, vice governor of the province, emphatically pointed out: Conducting reforms in the transportation structure and successfully dividing freight consignment among railway, highway, and waterway transportation is an urgent task of the province to relieve the current strained situation in transportation.

He also put forward several measures to divide freight consignment among different means of transport.

Vice Governor An Zhendong pointed out: At present, the province's transportation situation is strained, with the freight transport capability 17 percent less than the volume of transported goods. Some enterprises are suffering from a delay in raw material delivery and in sending out their products. The weakness of communications and transportation has restricted economic development. The key to overcoming the contradiction of transport capability being less than the volume of transported goods lies in conducting reforms in systems and tapping latent power in this regard. Except for the investment to increase capability, the urgent task at present is to divide freight consignment among different means of transport.

Vice Governor An Zhendong stated: To make a success in conducting reforms in the transportation structure, it is imperative to do away with out-of-date ideas, including the central idea of goods being naturally consigned for railway transport. Of course, railway transportation has various advantages, such as its lower charge compared to that of highway transportation. However, practice has shown that the charge of the highway transport enterprises is lower than that of the railway ones.

The five measures put forward by Vice Governor An Zhendong with regard to successfully dividing freight consignment among different means of transport are as follows:

1. In making transport arrangements, the railway transport enterprises should give priority to the goods that have been well divided.
2. The freight trucks able to assume more divided tasks can obtain much parity-price oil.
3. The railway transport enterprises should preferentially saturate the demands of enterprises that have achieved good economic results.
4. Efforts should be made to readjust their prices in order to maintain a balance in the volume of transported goods.
5. It is necessary to give preferential interest of the loans to the transport enterprises that are going to invest in the divided goods consignment for transport.

HEILONGJIANG ECONOMIC, TECHNICAL COOPERATION REVIEWED

SK010301 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 31 May 85

[Excerpts] Our province has achieved great results in economic and technical cooperation, and a good beginning has been won. At the provincial conference of directors of the offices in charge of economic and technical cooperation, which concluded on 30 May, Governor Hou Jie gave a speech to put forward five requirements in developing the province's lateral economic contacts and expanding domestic economic and technical exchanges and cooperation.

Since late 1983, when the provincial government established the office in charge of economic and technical cooperation, great achievements have been scored in the province's economic and technical cooperation. Thus far, the province has established cooperative relations with several hundreds of cities and counties of all the provinces, municipalities, and regions of the country, except for Xizang; signed with them 723 agreements on economic and technical cooperation; and brought in 213.29 million yuan of funds, exceeding the annual budgetary investment the state allocates to our province.

Technical cooperation has also been greatly developed. Over the past year and more, through the efforts in organizing technical cooperation, 2,195 projects of cooperation have been organized, and some 700 scientific and technical personnel have been hired by enterprises. At the same time, our province has also transferred 164 new technologies to 17 provinces, municipalities, and autonomous regions.

During the conference, which was held from 26 to 30 May, the participating comrades summed up and exchanged experiences and worked out, through discussions, specific measures for opening up a new situation in the province's economic and technical cooperation. Governor Hou Jie spoke at the end of the conference putting forward five requirements in developing the province's lateral economic contacts and expanding domestic economic and technical exchanges and cooperation. First, we should further enhance our understanding and raise our awareness in carrying out economic and technical cooperation. Second, we should further strengthen leadership. Third, we should formulate plans and clearly define the strategic goals for development. Fourth, we should promote the work to coordinate with and support one another. Fifth, we should intensify theoretical study and research.

CHANGCHUN CITY PEOPLE'S CONGRESS SESSION ENDS

SK311515 Changchun JILIN RIBAO in Chinese 14 May 85 p 1

[Excerpts] After a 5-day session, the Third Session of the Eighth Changchun City People's Congress concluded successfully at the assembly hall of the provincial guesthouse on the afternoon of 13 May.

The session approved a resolution on accepting the resignations of Comrades Yan Hua, Zhao Kai, Li Congpu, Zhang Zhen, Cheng Quan, Wu Yusen, Yang Chao, and Liu Weizheng, resigning as vice chairmen of the municipal People's Congress Standing Committee, and elected Sun Li [1327 0500], Yang Di [2799 6611], Hu Jiqing [5170 0679 3237], Zhou Shiyuan [0719 0013 6678], Li Zhen [2621 3791], and Song Guangzhi [1345 1639 1807]. The session elected Comrade Zhou Shucheng [0719 3412 3397] president of the Changchun City Intermediate People's Court.

JILIN CPPCC COMMITTEE HOLDS WORK FORUM 1 JUN

SK020402 Changchun Jilin Provincial Service in Mandarin 1030 GMT 1 Jun 85

[Text] This afternoon, the provincial CPPCC Committee held a work forum on chairmen and vice chairmen of city, prefectural, county, and district CPPCC Committees throughout the province who had attended the third session of the fifth provincial CPPCC Committee as observers. At the forum, participants introduced their prevailing situation in CPPCC work and put forward their opinions and proposals on the work of the provincial CPPCC Committee.

Attending the forum were Liu Jingzhi, chairman of the provincial CPPCC Committee, and vice chairmen of the provincial CPPCC Committee, including Guan Mengjue, Geng Yuelun, Luo Yuejian, Xin Cheng, Jin Minghan, and Cai Qiyun. Zhang Fengqi, vice chairman of the provincial CPPCC Committee, presided over the forum and delivered a speech covering the work plan for the latter half. Chairman Liu Jingzhi delivered a concluding speech at the forum as well.

I. 5 Jun 85

PRC REGIONAL AFFAIRS
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QINGHAI SYMPOSIUM VIEWS 2D STAGE OF RECTIFICATION

HK020650 Xining Qinghai Provincial Service in Mandarin 1100 GMT 30 May 85

[Text] Yesterday, at the provincial symposium on the second stage of party rectification work, Huanjiecailang, deputy secretary of the provincial CPC Committee, demanded that all units conduct education in party spirit in depth and complete the tasks of second-stage party rectification with high standards and good quality.

In his speech Comrade Huanjiecailang pointed out salient problems, needing to be solved in the second stage of party rectification; are: Really strengthen the party spirit of party members; correct new unhealthy trends; guarantee smooth progress in reform, and promote continuous, healthy, and forward development of the excellent situation. If we grasp this central link and carry it out from start to finish, we can do well in party rectification with high standards.

He said the main contents of the current education in party spirit are: 1) to strengthen the concept of wholeheartedly serving the people; 2) to further establish the far-reaching communist ideals; 3) to strengthen the concept of the overall situation; 4) to strengthen the sense of organization and discipline. He said these four aspects are closely linked with another. Only by firmly grasping them in the course of education can we basically strengthen the party spirit of party members.

Comrade Juanjiecailang emphasized: Wherever members are in party rectification work in carrying out second-stage party rectification, they must now concentrate a certain period of time on strengthening education in party spirit and must persistently adopt the effective method of education which was developed and is being applied in the course of party rectification so that the party's ideological and political work can meet still better the needs of the new situation and new tasks.

He demanded CPC committees at all levels be on guard against the laxity that might possibly emerge, be enthusiastic, carefully give guidance, stress quality, and direct the second stage of party rectification work well from start to finish.

At the provincial symposium on second-stage party rectification work, eight units, including the fourth bureau of the Xining City Hydroelectric Power Department, Qinghai No 1 woollen textile mill, Qinghai (Liming) chemical works, (Haishan) bearing plant, Northwest Plateau Biological Research Institute, the provincial Public Health Department, and the Hainan Autonomous Prefectural CPC Committee Party School, introduced their experiences in conducting education in party spirit for party members in the course of party rectification.

Ma Wanli, secretary of the provincial CPC Committee, attended the symposium and listened to the experiences introduced there.

XINJIANG ISSUES TENTATIVE LABOR CONTRACT RULES

HK041213 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 2 Jun 85

[Text] To vigorously push forward reform of the employment system of workers in our region, the regional Labor and Personnel Department has decided that beginning now, state-owned enterprises and institutions and state organs and organizations in our region will, in principle, implement the labor contract system in recruiting workers from society, including extra workers discharged as a result of reorganization.

In view of this, the regional Labor and Personnel Department has recently transmitted to the lower levels tentative regional regulations on implementing the labor contract system in cities and towns.

The tentative regulations provide that unless otherwise stipulated by the state and the region, when all units recruit workers under the labor contract system, they must recruit these workers in accordance with the norms set in the plans for labor sent down by the state and the region. In recruiting workers under the labor contract system, it is necessary to adhere to the principles of voluntary application; public recruitment; all-round moral, intellectual, and physical examinations; employing the good; and recruiting workers from urban areas first, from rural areas later.

Workers under the labor contract system who have passed the examinations and are to be employed must sign written labor contracts with the employing units. At the expiration of a contract, a worker can terminate or renew the contract. When an employing unit cannot fulfill a contract and terminates the contract before expiration, it must pay damages to the opposite party. When a worker under the labor contract system does not fulfill a contract without proper cause and leaves his post before expiration of the contract, he must also pay damages to the opposite party.

Regarding wages and remuneration for the workers under the labor contract system, the tentative regulations provide:

Considering the factors that a worker under the labor contract system must pay a certain amount of money as a guarantee, and is likely to wait for employment at the expiry of a contract, the wages of the worker under the labor contract system must be higher than the wages of a regular worker of the same type of work in production. The wages and remuneration of a worker whose age is the most suitable for the type of work in production and for a post can be raised still higher.

Medical and housing benefits for a worker under the labor contract system, the nursing of children of a worker under the labor contract system, maternity benefits of a female worker under the labor contract system, and the leave of a worker under the labor contract system for the purposes of rest, weddings, funeral affairs, and visiting relatives is the same as those of a regular worker.

The regional tentative regulations on implementation of the labor contract system in cities and towns sent down by the regional Labor and Personnel Department points out: Under the premise of the means of production under public ownership, on the basis of the unified interests of the state, the collective, and individuals, and through the signing of a labor contract, the labor contract system is a new socialist system of the employment of workers which can ensure that a worker can be employed and discharged. The workers under the labor contract system are a component part of the working class and are the regular workers of their units. In the period of the contracts, they enjoy the same political powers as those of other regular workers.

CHENG MING REPORTS POL POT IN BEIJING HOSPITAL

HK311458 Hong Kong CHENG MING in Chinese No 92, 1 Jun 85 p 4

[Dispatch from Beijing by reporter Chang Chuan: "Where Is Pol Pot Actually?"]

[Text] The editorial department of CHENG MING wrote me a letter in which it asked me to do a difficult thing -- to verify a report carried in the "Inside News" column of the May issue of CHENG MING under the title: "Cambodian Communist Head Pol Pot Made a Secret Trip to Beijing; Pol Pot Has Changed His Name To Be Hospitalized for Medical Treatment." There were some reasons the editorial department asked me to cover this information: After the May issue of CHENG MING carried the above report, several foreign news agencies immediately picked it up, causing reactions from all sides. A well-informed high-ranking person in the Foreign Ministry of Thailand spoke about this. The Cambodian Embassy in Beijing denied the report. In its dispatch from Bangkok on 6 May, REUTER reported: "Khmer Rouge leader Pol Pot disclosed that since Vietnam launched attacks on Cambodian guerrillas in November last year, it has lost more than 27,000 soldiers." "The well-informed person in Foreign Ministry" of Thailand did say that Pol Pot was commanding the Cambodian guerrilla forces to fight battles, but he said he "does not know where Pol Pot is at present." (According to an AP dispatch from Bangkok 2 May.) The REUTER dispatch does not mean anything. The denial by the Cambodian Embassy in Beijing is not strange at all; in fact, it stands out. Which is correct? The "Inside News" of CHENG MING, or the Cambodian Embassy in Beijing? What REUTER reported was Pol Pot's comment read by the Khmer Rouge radio on the battles during the dry season, but Pol Pot did not appear personally. This comment was merely a "gesture" to give the impression that Pol Pot was still in Cambodia's guerrilla areas.

Where is Pol Pot actually? Who is actually correct?

After a series of investigations and enquiries, I finally learned from a friend engaged in foreign affairs work that Pol Pot was staying on the fifth floor of the Xiehe Hospital. Because he has changed his name, ordinary people and even the medical personnel at the hospital do not know that he is Pol Pot. Pol Pot's appearance now is quite different from his appearance before Vietnam's invasion of Cambodia. Previously he was fat, with lots of flesh on his face, but now he is thin and pallid and looks seriously ill, like another person.

Pol Pot and his wife, Khieu Ponnary, and Ieng Sary and his wife Ieng Thirith, these two couples are Cambodia's "gang of four." My friend said that when he was in the Beijing hospital several years ago, he met Ieng Thirith there. I asked him why Pol Pot was not living in the Beijing hospital, and he said that living in the Xiehe Hospital would deceive the public more successfully.

Deceiving the public may have many advantages, one of which is to prevent the Chinese people from being resentful. In fact, the crimes committed by Cambodia's "gang of four" are more serious than those committed by China's "gang of four." By adopting "Cultural Revolution-type" policies, they actually attempted to build a slave communist country. If they lived in China and were Mao Zedong's "gang of four," Deng Xiaoping would have treated them as Jiang Ging and her ilk, by putting them in jail or even "killing" them.

My friend knows well that both the Chinese and Cambodian people are very much dissatisfied with Pol Pot and his policies. He thinks that the CPC should take advantage of this opportunity to keep Pol Pot in Beijing for long-term recuperation so as to help Nuon Chea and Khieu Samphan, enlightened deputy secretaries of the Cambodian Communist Party, in consolidating and reorganizing the Cambodian Communist Party and in completely and genuinely taking up leadership of the Cambodian Communist Party. My friend said that it is time for the enlightened faction of the Cambodian Communist Party to thoroughly eradicate Pol Pot.

There are several advantages in doing so: 1) It can change the image of the Cambodian Communist Party and Democratic Kampuchea among the Cambodian people and people all over the world. 2) The CPC will no longer be "unjustly blamed." 3) Cambodia will win more and greater support from other countries. 4) The armed forces of the Cambodian people will be greatly strengthened. 5) Criticizing the ultra-leftist line of the Cambodian Communist Party will benefit the development of the cause of the Cambodian people.

Of course, the Cambodian Communist Party can only play a limited role in the war against Vietnamese aggression. In the final analysis, if Cambodia wants to win independence and moves toward stability and prosperity, it should depend on the cooperation of various political forces and the continuous struggle of the Cambodian people. This will be a very long road.

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